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## Croats Form Anti-Serbia Military Pact With Bosnia

*Alliance Could Mean An Increase in Fighting Throughout the Region*

*The Associated Press*

ZAGREB, Croatia — Croatia formed a military alliance Monday with Croats and Muslims in Bosnia in a move that adds muscle to the anti-Serbian front in both republics.

The carrying out of an agreement on forming a joint headquarters was announced after a meeting of political and military leaders representing Croatia, the Bosnian Croats and the Muslims.

It was unclear if the move would be translated into practice. A Bosnian Croatian and Muslim federation with close ties to Croatia has existed on paper for a year, but few of its political and military provisions have been carried out.

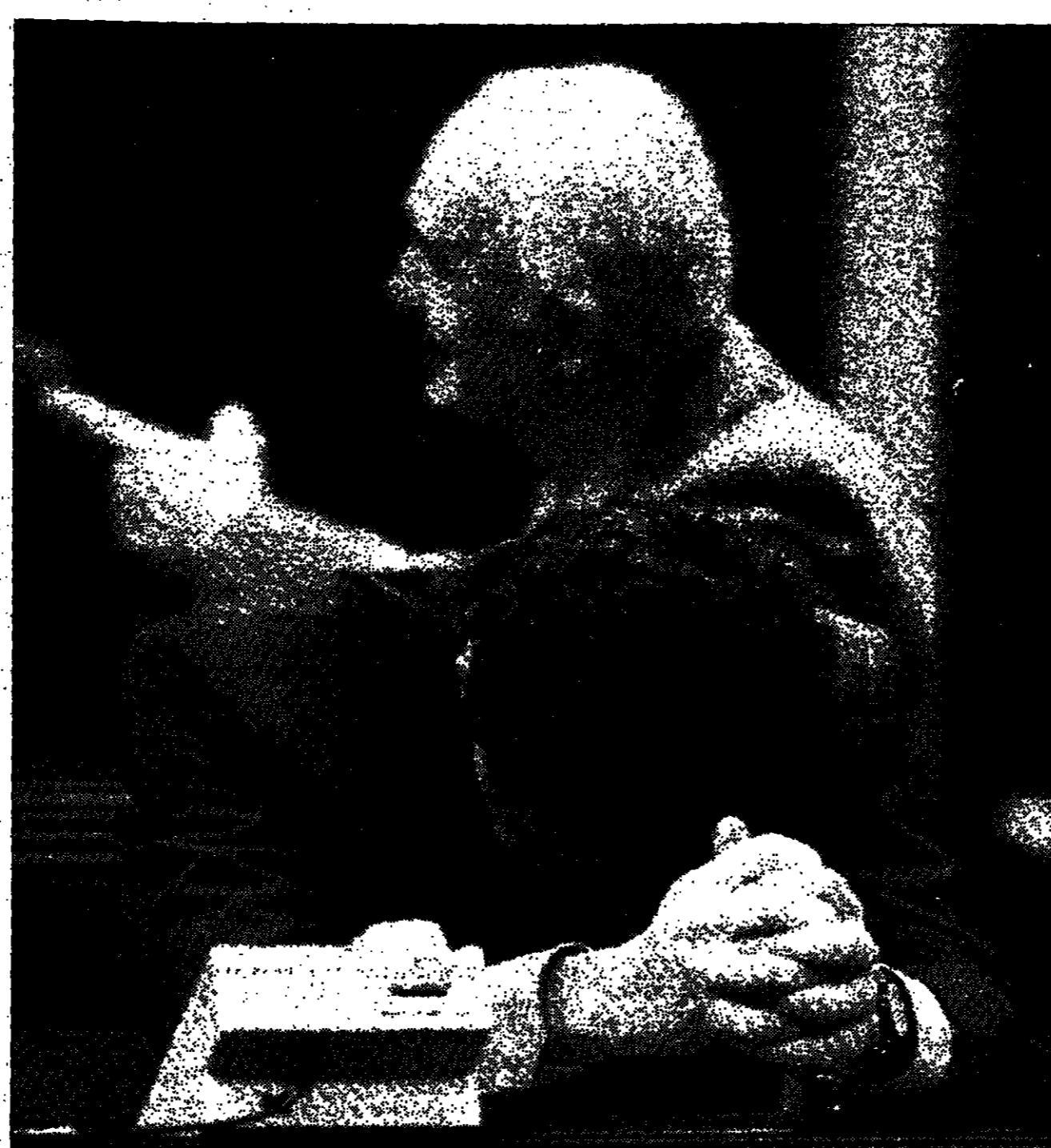
[In another move that many believe will accelerate the drift toward broader conflagration in the Balkans, a senior United States envoy failed to secure any discernible public shift in demands that United Nations peacekeepers leave Croatia. The New York Times reported from Zagreb.

[The development coincided with a warning by the Bosnian foreign minister, Idris Ljubajic, in London that the region was "dangerously close to a resumption of all-out war. At the moment we have a diplomatic vacuum."]

The Croatia-Bosnia accord theoretically would permit Croatia to get officially involved in fighting in Bosnia, in areas such as in the northwestern Bihać pocket on the Croatian border. That, in turn would increase the fighting, with rebel Serbs in Croatia doing even more to aid their brethren in Bosnia.

Kresimir Zubak, the Croat heading the new federation, said the implementation meant "that we would be prepared, if we cannot solve the crisis by peaceful means, to act jointly to defend ourselves from the

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A Milan trader regrouping Monday during the currency exchange turmoil. The lira plunged against the Deutsche mark.

## AGENDA

### Mexico Seeks to Extradite Prosecutor

MEXICO CITY (AP) — The government said Monday it would seek to extradite a former prosecutor being held in the United States to face charges of obstructing an assassination inquiry.

From the attorney general's office said Mario Ruiz Massieu was wanted on suspicion of obstructing his own investigation into the Sept. 28 murder of his older brother, José Francisco Ruiz Massieu, the No. 2 leader of Mexico's governing party.

He was arraigned before a federal

judge in Newark, New Jersey, on Monday afternoon and ordered held without bail on a charge of failing to declare \$40,000 in cash when he entered the United States last Friday. Mexican news media reported the government would seek his extradition for trial on charges of altering depositions to protect Raúl Salinas, who allegedly ordered the killing.

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### Japanese Banks Tangled in Barings Crash

These banks did have loans outstanding to Barings.

Barings, which was sold late Sunday to the ING Group of the Netherlands, collapsed after a trader in its Singapore office made a highly leveraged bet that went sour when the Japanese stock market started declining in recent months.

Japanese banks apparently made various loans to Barings to help it meet margin calls at the securities exchanges in Japan, according to two Japanese economic newspapers.

Officials at the Finance Ministry declined to comment on the reports, although one official conceded that Japa-

potential losses were unlikely to have a catastrophic impact on their earnings.

It was not clear whether the banks would actually lose the lent money, given that ING Group is injecting about \$1 billion in cash to keep Barings in operation. The Dutch company has pledged to assume the liabilities as well as assets of Barings.

But the fiscal year in Japan ends March 31, and because of the uncertainty, the Japanese banks may decide to write off quickly a substantial amount of the exposure as losses. Altogether, the amount written off this year could be as much as \$537 million.

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### Poverty Meeting Shows New Wariness About Aid

By Barbara Crossette  
*New York Times Service*

COPENHAGEN — As representatives from more than 130 nations began to talk Monday about growing poverty worldwide and how to deal with it, it soon became apparent that slow but significant shifts are taking place in the thinking of both rich and poor nations that may bring new cooperation in finding solutions.

In the developing world, there is a realization that the industrial countries are in no mood or condition to pay more for programs popularly considered ineffective, if not wasteful.

As if to make the point clearer, some European groups among the nongovernmental organizations meeting here in their own forum are saying that there are many social problems to solve closer to home — including a high rate of unemployment and that is where resources should go.

In February, an aid meeting between the European Union and nations in Africa, Asia and the Pacific had to be called off because of the reluctance of the Europeans to commit anything but what the French called a "desert" amount of money to former colonies and trading partners.

Among delegates and a larger number of unofficial representatives of richer nations, however, there is also a new understanding that poverty and social dislocation far away have global consequences. They create immigration, health epidemics, markets too poor to buy exports and economies risky to investors.

But at the same time, the industrial

world and international institutions including the World Bank, the International Monetary Fund and the United Nations development program are asking that developing nations put their own financial and governmental houses in order, and begin putting money into schools and health programs, not more weapons or expensive public projects that benefit only the elite.

At a news conference Monday, after delivering the opening speech of the conference, Secretary-General Boutros Boutros Ghali of the United Nations warned, "You will not have profound change here because the international community will not be ready for it."

But outside the main conference hall, change was in the air. In a string of press briefings, interviews and informal conversations in the dozen or so cafés the Danish government has scattered around the exhibition center where the conference is taking place, concrete proposals were being made to harness the financial strength and ingenuity of the richer North to the needs of the poorer South.

Inside the formal meeting, the World Summit on Social Development, there was movement also. With unexpected ease, the Group of 77 — now an organization of more than 130 developing nations — agreed to a nonbinding goal known as the 20-20 proposal. This would ask all donor nations and institutions to earmark 20 percent of their foreign aid for basic social needs: schools, hospitals, water and roads and the like.

Developing nations would be expected to allocate 20 percent of their expenditures to the same underfinanced sectors.

Among richer nations, which now spend about 7 percent on average on social programs abroad, that would mean a tripling in money intended only for the neediest in countries receiving aid. For the poorer nations, which spend on average about 10 percent or less of their budgets on basic services, they would have to double expenditures in those fields.



Two delegates from Sierra Leone studying papers at the beginning of the United Nations World Summit on Social Development in Copenhagen on Monday.

### Bring Back the Rod? America Waves Stick at Crime

By Ann O'Hanlon  
*Washington Post Service*

WASHINGTON — Nearly a year after an American teenager, Michael P. Fay, was caned in Singapore for vandalism, a movement for similar forms of punishment is surging in the United States. At least nine states are considering corporal punishment laws, which would allow use of a paddle or cane to punish street criminals.

"Call Michael Fay and ask him if he'd

go over there and do that again and I bet he'd say no," said state Representative Doug Gunnels, Republican of Tennessee, sponsor of a bill being considered by the state legislature.

"This Singapore incident got my attention," said state Representative Tom Cameron of Mississippi, sponsor of a caning bill that passed the Mississippi House but was stopped by a Senate subcommittee.

Mr. Cameron said the crime problem in the United States had prompted him to look for new ways to deter criminals.

"Obviously, nothing else is working," he said.

Corporal punishment bills are pending in New York and California. According to legislators in those states, the introduction of similar measures is being considered in at least five other states. A crime bill including a corporal punishment clause was introduced in Congress last session but received no action.

The momentum began in California last May, when a Republican assembly-

man, Mickey Conroy, was sparked to action by the Fay incident. The American teenager was caught spray-painting cars in Singapore and was sentenced to four months in prison, a \$2,230 fine and six lashes, reduced to four after appeals from President Bill Clinton and the teenager's parents.

Prior to introducing the California legislation, which would allow just sentence minors to paddling for crimes, Mr. Conroy floated the

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## THE AMERICAS

## POLITICAL NOTES

## States Are Fast on the Draw in Approving Handguns

By Sam Howe Verhovek  
*New York Times Service*

AUSTIN, Texas — A powerful movement to allow ordinary citizens to obtain permits easily for carrying concealed weapons is taking hold across the United States, a product of both the new Republican control of many state governments and of increasing fears that the police are incapable of protecting citizens from criminals.

In the last few weeks alone, legislatures in Virginia, Arkansas and Utah have passed laws that would make it far easier for law-abiding adults to obtain permits to carry handguns. Several other states, including Texas, the nation's second largest, are expected to pass similar bills soon.

About 20 states generally grant permits to adults without a criminal record or a history of mental illness, but in a growing movement at least 13 other states in addition to Texas are considering bills to make it easier for people to carry handguns.

The Texas bill is virtually assured of passage, and Governor George W. Bush has pledged to sign it.

In Oklahoma, the state Senate on Feb. 27 passed by a 43-to-4 vote a concealed-weapons measure known as the Oklahoma Self-Defense Act, which is expected to pass the state House soon.

"Citizens want a way to protect themselves," said state Senator Frank Shurden, a Democrat.

Opponents of the bills, including some, but by no means all, law enforcement officials, contend that more guns will only spur more violence, and some paint modern-day Dodge City

would allow most adult Texans to carry a gun. Mr. West, a former prosecutor, is the leading opponent of the bill.

"Tell me, senator," Ms. Gratz said to Mr. West, gesturing with her head at the senator next to him. "Would you like him to have a concealed weapon at this point or not?"

Mr. West said he had little hope of stopping the bill in Texas, but he is now trying to gain approval for a requirement that state residents vote in a nonbinding referendum this fall on whether they think the measure is a good idea.

"Before we begin packing heat for our walks to Sunday service, before we strap on six-shooters for our run to 7-Eleven, let's talk about it. Let's talk about it."

Royce West of Texas

scenarios in which routine fender-bender accidents could escalate into bloody duels among gun-toting motorists.

But proponents take a very different view. About midway through a 7½-hour hearing in the Texas Capitol this week, a witness named Suzanna Gratz got out of her chair and walked over to state Senator Royce West of Dallas.

She pointed her index finger at him and cocked her thumb. Ms. Gratz, whose parents were among 23 people killed in a Luby's restaurant in Killeen, Texas, by a gunman in October 1991, was speaking in favor of the bill that

prohibits adults without a criminal record or a history of mental illness, but in a growing movement at least 13 other states in addition to Texas are considering bills to make it easier for people to carry handguns.

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At the hearing in Austin, before the state Senate's Committee on Criminal Justice, several women bore placards that read "Mothers Against Concealed Weapons." One, Julie Cooper, who said her teenage son was shot and killed by gang members three years ago, said the bill sent a confusing message to children.

"On the one hand we're teaching conflict resolution in schools," she said, "and on the other hand, we're allowing adults to carry concealed guns."

Mr. Bush, a Republican who criticized his Democratic predecessor, Ann Richards, for vetoing a measure that would have cleared the way for a con-

cealed-weapons bill, has said he sees no need for a referendum.

A variety of newspaper polls, depending on how the question was worded, have shown that Texans either support the right to carry a gun or are evenly split on the issue.

The Texas measure would not allow residents to carry guns in schools, bars or government buildings, or at race tracks and other sporting events.

Florida is the largest of the nearly 20 states that currently have broad laws that allow citizens to easily obtain permits to carry guns. The state has issued 266,710 right-to-carry permits since the law went into effect in October 1987, according to the State Division of Licensing.

Nearly 20 other states require people to demonstrate their need to carry a gun, with the decision on whether to grant a permit left to their local police chief or sheriff, or to a judge. In many

states, there is a strong push to relax such requirements.

In Virginia, for example, where judges in many counties rarely approve permits, the state legislature late last month enacted legislation that

would make it almost as easy to obtain a carrying permit as it is to obtain a driver's license.

Governor George F. Allen, a Republican, said he was reviewing the bill's language but was inclined to sign it into law.

In about a dozen states, citizens generally have no right to carry their gun in public, except while hunting. Texas, despite its Wild West image, has been among this group since the mid-19th century, shortly after it entered the Union.

In several states where the issuing of permits is at the discretion of the authorities, legislatures are expected to engage in bitter debates in the coming weeks or months over measures to make permits more automatic.

The proposed Citizen Self-Defense Act would take the power to control permits away from local law enforcement officials.

Florida's experience has generally provided strong arguments for proponents of the right-to-carry bills, including the National Rifle Association, which has made passage of the bills a top priority. Even those who opposed the measure said it had not led to the increase in violence they had feared.

"It didn't become the nightmare that I envisioned — everyone, everywhere, where have concealed weapons," said Richard Winn, chief of the Hollywood, Florida, Police Department.

"But I still think the guidelines are too relaxed."

The central features of Republican proposals for health-insurance reform this year again focus on reform of the rules for marketing insurance to businesses with 50 or fewer workers, where the percentage of workers covered is much lower than in large businesses. But neither of the two key bills contains any federal subsidies.

## Health Insurance: Billfold Blues

WASHINGTON — Many states have adopted changes in the way health insurance is sold that are similar to reforms being advanced by congressional Republicans with "little evidence they have increased or decreased coverage of the uninsured much" so far, according to a new study.

The reforms proposed by congressional Republicans would make it harder for insurance companies to reject applicants and refuse to renew or exclude diseases from coverage.

But the study by George Washington University's International Health Policy Project found that the insurance-sales practices that Republican reforms address are not the important impediment to the 38 million people who do not have health insurance.

"The main reason people don't have insurance is that they or their employers don't have enough money to buy it," said Kalra Ladenheim, one of the principal authors of the study.

The finding is consistent with Congressional Budget Office studies of insurance-reform bills proposed last year by Republicans and Democrats. The office found then that the only market-reform bills that would make a substantial difference in increasing health coverage were those that also provided hundreds of billions of dollars in federal premium subsidies over the next decade to help people pay for it.

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## Cooling Cuts in Heating Subsidies

WASHINGTON — Bernard Smith, executive vice president of the New England Fuel Institute in Watertown, Massachusetts, is upset about House Republican plans to terminate a \$1.3 billion program that helps low-income people pay winter heating bills.

If the subsidy ends, thousands of customers served by the 1,300 fuel oil dealers in Mr. Smith's organization could have trouble paying their bills, beginning next winter. Nationwide, more than 5 million households receive the subsidy.

But whether the subsidy really will end is highly uncertain. The House Appropriations Committee has eliminated funding for the program, and the full House is almost certain to agree. But unless the Senate concurs, it could survive — though perhaps reduced in size. And with three Republicans from cold-weather, northern states on the Senate Appropriations subcommittee that will act on the issue, killing it will be no easy matter.

"We don't expect the program to be zeroed out in the Senate," said Senator Judd Gregg, Republican of New Hampshire. (WP)

## Clinton Stands Up for the Veterans

WASHINGTON — In a reply to more than two years of complaints, President Bill Clinton announced on Monday the creation of an independent panel to recommend improvements in the government's response to veterans who blame their illnesses on service in the Gulf War.

The announcement amounted to tacit acknowledgement of criticism that the government has failed adequately to investigate the cause of the maladies and that it has been slow to provide Gulf War veterans with needed treatment.

In unveiling the plan in an address to the Veterans of Foreign Wars, Mr. Clinton called attention to his administration's record in pushing for changes that now allow thousands of Gulf War veterans to collect disability benefits even when their illnesses remain undiagnosed.

But Mr. Clinton made plain that he was not satisfied with efforts to determine what might have caused unexplained symptoms including fatigue, severe muscle pain, and memory loss that have been reported by the more than 40,000 Gulf War veterans who have come forward with ailments they believe are linked to their service.

"We must do more," the president said. (NYT)

## Quote/Unquote

Bob Packwood, Republican of Oregon and chairman of the Senate Finance Committee, on discussions of possible party punishment for Senator Mark Hatfield, the lone Republican to vote against the constitutional amendment on a balanced budget: "Nothing is going to happen to Mark. He will remain as Appropriations chairman. Could someone call for his removal? Yes. Will that happen? No. It will not, and it should not. If we start going down that road, what will be the next litmus-test issue? If you start down that road, we'll soon be eating each other, and we will become political cannibals." (AP)

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## Hong Kong Voters Back Self-Rule Slate

### Local Parties Cite Successes In Face of Beijing's Threats

By Kevin Murphy  
*International Herald Tribune*

**HONG KONG** — Despite China's repeated threats to dismantle the British colony's three-tier system of local government after 1997, Hong Kong residents have voted in record numbers for self-government candidates in municipal elections.

The elections were the second of three levels of polls organized under changes that set off a two-year confrontation between Beijing and London and jolted local confidence.

Local personality contests and issues more relevant to park management and garbage collection than the Chinese-British relationship dominated the contests. Nonetheless, Hong Kong's nascent political parties used them to prepare for more important Legislative Council elections to be held in September.

"On the whole, we have achieved our main goal," the Democratic Party deputy chairman, Yeung Sum, whose party won 23 of 36 seats it contested, told Bloomberg Business News.

In 59 Urban and Regional Council contests, candidates from two self-rule parties won 31 seats, outflanking a loose confederation of parties sympathetic to Beijing or at least unwilling to openly confront China on most important issues.

But in several constituencies the total percentage of votes won by pro-China candidates showed a marginal increase over the results in other contests. That is a sign, analysts said, of greater sophistication by Beijing's lobbyists and political operatives in Hong Kong.

China admitted recently that

it would take an active role in future Hong Kong elections by working with the several political groups that favor Beijing's policies on Hong Kong's future administration.

"Overall, the results themselves indicate people in Hong Kong, when given the chance, remain well disposed to the democratic process," said Nick Moakes, a China analyst with S.G. Warburg Securities.

"It's also a bit of a surprise to hear the Chinese commenting favorably on voter turnout," Mr. Moakes said. "They usually discount such things."

More than 560,000 people voted Sunday, a participation rate of 25.8 percent of all eligible voters and a slight increase in voter interest from previous elections.

But reforms such as lowering the legal voting age to 18, and apparent greater interest in political issues, such as the 1997 transfer of sovereignty, attracted 43 percent more people to vote Sunday than in the past council elections, in 1991.

"We are very pleased with the turnout and to see such a variety of candidates and political groups involved," said spokesman for Hong Kong's governor, Chris Patten. "When people are asked if they want more or less democracy, more or less say in how Hong Kong runs its affairs, they are saying they want more."

Mr. Patten, who described the municipal elections as "no more threatening than a pussycat," called upon Beijing to put disputes about electoral reform aside so that the two sides might better cooperate on planning for the handover.

Negotiations on nearly every major issue to be decided between Beijing and London have been virtually on hold since Mr. Patten first announced his electoral reform plans in October 1992, soon after arriving in Hong Kong.

"I very much hope that all of us can look forward to greater cooperation between Britain and China in the interest of Hong Kong," Mr. Patten said. Agence France-Presse reported. "That's what all of us want to see."



Sri Lanka soldiers, asked in Trincomalee by the deputy defense minister if they were ready to fight if peace talks with the Tamil rebels failed, raising hands to respond "yes."

### Austrian Leader to Visit Asia

Agence France-Presse  
**VIENNA** — President Thomas Klestil is to visit Indonesia, Thailand, and Vietnam from March 19 to 28 to discuss closer economic ties between Austria and those Southeast Asian countries, his office said Monday.

### INTERNATIONAL CLASSIFIED

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## 1995 World Rally Championship



1st and 2nd overall!

Place	Car	Driver
1	Mitsubishi Lancer	K. Eriksson
2	Mitsubishi Lancer	T. Mäkinen
3	Toyota Celica	T. Radstrom
4	Toyota Celica	J. Kankunen
5	Toyota Celica	D. Auriol
6	Ford Escort	B. Thiry
7	Ford Escort	S. Blomqvist
8	Toyota Celica	T. Jansson

# Mitsubishi conquers the Swedish winter!

*Unbothered by biting cold and treacherous ice, the Mitsubishi Lancer totally dominated the Swedish Rally — 1st and 2nd overall!*

Suppose you wanted to test your car's durability and performance in icy sub-freezing conditions. Where would you go?

Mitsubishi chose the Swedish Rally, the second event in the prestigious World Rally Championship.

Rally organizers selected the 1633-kilometre route specifically because it would be entirely covered in snow and ice. And in case that wasn't challenging enough, they scheduled some stages at night — in total darkness.

Many drivers might look at sliding around icy turns and navigating through heavy snowfall in the dark as

an ordeal better left to snowmobiles. But to the world's best rally drivers, the Swedish Rally is a magnet. And so it would be the ideal winter proving ground for the Mitsubishi Lancer.

You see, ordinary test tracks don't present much challenge to the Lancer. Even on treacherously twisting roads in poor weather, the Lancer's outstanding handling and performance make driving easy, safe and enjoyable. And the Lancer is durable enough to withstand years of trying conditions and still perform smoothly and reliably.

By entering the Swedish Rally, Mitsubishi hoped to

learn the true measure of the Lancer's ability to manoeuvre and perform in the iciest, coldest, nastiest winter conditions possible — against the best competition in the world.

The result? With many other cars plagued by handling problems and engine trouble from the cold, the Lancer totally dominated, finishing 1st and 2nd overall.

So now we know.

**MITSUBISHI LANCER**



**CREATING TOGETHER**

## INTERNATIONAL

## U.S.-French Intelligence Links Badly Strained by Spy Scandal

By William Drozdiak  
*Washington Post Service*

PARIS — An embarrassing spy scandal appears to have inflicted lasting harm on relations between French and American intelligence, according to officials in both governments.

While President Bill Clinton said last week that he believed the matter had been resolved, resentment over the affair appears to run deep.

A senior French official said contact with the Americans at a G-7 meeting in Brussels on information technology last week, attended by Vice President Al Gore, were "nothing less than disastrous."

The consequences for Prime Minister Edouard Balladur appear even more dramatic.

France's demand that five Americans identified as CIA operatives be recalled distract ed attention from an explosive wiretap scandal, but undermined Mr. Balladur's authority and aggravated a breach in his government between ministers supporting his bid for the presidency and those backing his Gaullist rival, Mayor Jacques Chirac of Paris.

But the most devastating impact is being felt between intelligence agencies in both countries, officials say.

"This will not blow over in a matter of months," a U.S. official said. "It will take several years, at least, before we can talk about serious cooperation again in intelligence matters."

"Right now the mood is too poisoned to believe that we will ever be able to cooperate on anything like we did before, unless there is a major crisis that poses a serious threat to both

governments," a French official said.

What has most irked the Clinton administration is how Mr. Balladur's powerful ally, Interior Minister Charles Pasqua appears to have decided to become locked in a public espionage duel with the United States chiefly for domestic political purposes when, by tradition, all such conflicts between friendly nations are handled with utmost discretion.

A top aide to Mr. Pasqua has been fingered by French newspapers and government officials as the likely culprit in leaking the story to the daily newspaper *Le Monde*. The published accounts have offered an unflattering portrait of U.S. agents in France.

They have been depicted as naive and ill-informed as they sought to extract information from their prey on France's negotiating positions in the final months before a global trade agreement was reached in December 1993.

Mr. Plagnol was paid in cash at several furtive meetings, where he was asked to fill out questionnaires and undergo interrogation by CIA analysts.

The questions ranged from whether Mr. Balladur would run for the presidency to why the French are so protective of their farmers, even though they represent only 5 percent of the population.

But as Mr. Plagnol pointed out, all of the information he provided in return for such handsome payments was readily available to any attentive reader of French newspapers.

## Amid Rebellion, Rights Violations Rise in Turkey

By John Darnton  
*New York Times Service*

ANKARA — To the concern of Western allies and international human rights organizations, reports of rights violations in Turkey have increased markedly in recent months, along with attempts by the government to crush the Kurdish separatist insurrection in the southeast.

The number of people who have been disappearing while in the custody, the reports of torture, the killings by unknown assailants that appear to be political, and arrests and convictions of writers, intellectuals and politicians under a law against separatist propaganda are all on the rise, Turkish human rights groups say.

"The main reason is the war in the southeast," said Yavuz Onen, 56, an architect who is president of the Human Rights Foundation, a Turkish group that was set up in 1989 to aid victims and document abuses.

"The state uses the argument that they are in a struggle with terrorists and that they are defending the indivisibility of the territory," he said. "Of course the state can defend its borders. But most of the violations are against civilians. Torture is now widespread and systematic, not only for political crime but for common crime as well."

Prime Minister Tansu Ciller, in an interview, denied that there had been widespread violations.

Allegations of torture are not new in Turkey. The foundation cited the cases of Yasar Kanbur, 35, an engineer, and Yusuf Yukdirim, 35, a health union worker.

The two men said they had been arrested as leftist students after the military takeover of 1980 and held nine and a half years in prison. During that time, they said, they were suspended by their chained arms, kept without food and sleep, beaten repeatedly and subjected to electric shock.

They scoffed at the idea that torture would ever be eliminated from Turkey.

"Not by this regime," Mr. Kanbur said. "Torture is universal here."

The war against the Kurds, who constitute about one-fifth of Turkey's 60 million people, has been going on for a decade. The Kurds were originally concentrated in the southeast, but many are now scattered all over the country. The fighting has claimed an estimated 14,000 lives.

The Kurdish Workers' Party has used terrorism in its fight for an independent homeland. The party is believed to have killed over 200 civilians in 1993, and it took responsibility for at least 167 deaths in the first 10 months of 1994.

But attempts to eradicate the party, whose leader, Abdullah Ocalan, is based in Syria, have taken even more civilian lives. Western diplomats stationed in Turkey say security forces have been granted a free hand by Mrs. Ciller's government to deal with the insurrection.

The security forces have turned to brutal methods, especially in the 10 southeastern provinces that have been under a state of emergency since 1987 because of the insurrection.

The emergency grants quasi-martial law powers to a regional governor and suspends the few modest constitutional safeguards in effect elsewhere. A suspect, for instance, can be held for 30 days without access to relatives or a lawyer.

Army and paramilitary groups sweep through whole areas of the southeast, destroying villages that they suspect of aiding the Kurdish party and burning many of them to the ground. The province of Tunceli has been a battleground this winter, where 40,000 Turkish troops are pursuing guerrillas who may number up to 3,000, Western diplomats estimate.

Reports by the U.S. State Department, Amnesty International, the United Nations Committee Against Torture and the European Committee for the Prevention of Torture all have condemned Turkey for human rights violations.

A report by Amnesty International, "A Policy of Denial," said at least 50 "disappearances" in custody were reported in the first 10 months of 1994, nearly double the number in 1993. It also said that the number of people shot and killed in the street by unknown assailants had soared from more than 20 in 1991 to 362 in 1992, more than 400 in 1993 and 380 for the first 10 months of 1994.

Visitors to the southeastern region say four or five people a day are now being killed on the streets. They include journalists investigating human rights violations and members of trade unions and political parties, including the People's Democracy Party, which has a largely Kurdish membership and isathematized to the government.

## Balladur Gets Boost As Barre Bows Out

By Joseph Fitchett  
*International Herald Tribune*

PARIS — With the French presidential race tightening, former Prime Minister Raymond Barre announced Monday that he would not run because his candidacy would only confuse the current political landscape.

It was the first good news in weeks for the flagging campaign of Prime Minister Edouard Balladur because a candidacy by Mr. Barre would have targeted the small center-right parties that are Mr. Balladur's core supporters.

Even a temporary loss of these centrists to Mr. Barre might have been fatal to the Balladur campaign, which has sought to emphasize the prime minister's ability to reach out widely to all the nation's conservatives.

Mr. Balladur depends increasingly on these voters as he tries to stem a challenge by Jacques Chirac, the favorite of Gaullist voters and now a frontrunner in the polls after overrunning Mr. Balladur's early lead.

Mr. Barre, 70, found no political space for a genuine campaign because the political battle has become so intense between Mr. Balladur and Mr. Chirac.

Both men are conservatives, and both have worked in Gaullist governments going back to the 1960s under President Georges Pompidou.

The rising tensions between these two leaders was apparently what Mr. Barre had in mind Monday in saying that he did not wish "to complicate a complex and confused political situation."

Mr. Balladur, as prime minister, has captured the loyalty of most leading figures in the cen-

trist movement that used to support Mr. Barre.

Mr. Barre, known for his strong personal independence, commitment to European integration and free-market economics, commanded as much as 8 percent of the French vote, according to recent political polls.

Most of those people will presumably switch to Mr. Balladur, even though Mr. Barre has not said which candidate he will support.

His withdrawal may not stop a bid by former President Valéry Giscard d'Estaing.

He enjoys less public support than Mr. Barre, but could run a temporary campaign to air his ideas.

Although a majority of voters remain undecided about their vote in the May election, Mr. Balladur's initial lead has melted into a draw.

The latest reversal was a poll released Monday that showed French business leaders — once considered a Balladur bastion — saying they preferred Mr. Chirac for president.

Rivalry between the two candidates from the conservative camp has become bitter, with Mr. Balladur now involved in public recriminations with Foreign Minister Alain Juppé, a Chirac supporter.

The Foreign Ministry, targeted for a big share of last-minute budget cuts announced last month by Mr. Balladur, let it be known that it would have to close several embassies — a blow to overseas French.

Mr. Balladur angrily retorted that no such closures were planned.

But the incident was fresh evidence of the difficulties faced by Mr. Balladur in trying to run as a candidate while trying to run a government to get them back. As bond prices fell, the yield on the benchmark

30-year Treasury bond rose to 7.62 percent, its highest level in six weeks, before sliding back to the end of the day at 7.58 percent.

Some traders and economists, especially those abroad, demanded that the Fed raise interest rates to stabilize the dollar, but this view found few echoes in the United States.

"Do what?" said Lawrence Meyer, a St. Louis economic consultant with ties to the Clinton administration. "Make a

territorial compromise with Syria."

"If both sides really want a breakthrough, it's now or never" because of the elections, not only in Israel but also in the United States, said the official, who spoke on the condition he not be named.

Public opinion polls show that Prime Minister Yitzhak Rabin, who has offered to trade at least part of the Golan Heights for peace with Syria, is still popular.

Syria has demanded that Israel pledge a full pullout.

Israeli leaders want Damascus to agree to establish normal relations with Israel before discussing the scope of the withdrawal.

Mr. Netanyahu rejects any

speech and say the wrong thing? Every attempt to strengthen the dollar ends up weakening it. The point is, the fundamentals have turned bearish on the dollar, and the Fed has never placed significant weight on it in making policy."

The White House said the currency markets were behaving "in response" to what the administration had already done and bucked all questions to the Treasury.

Within the Treasury, the view was that currency markets had overshot underlying values and would correct themselves.

Moreover, Treasury Secretary Robert Rubin already was deep in a mine field of criticism in the U.S. Congress for his hand in Mexico's rescue package.

"Rubin is concerned not to get hooked again on something he cannot deliver," said Rüdiger Dornbusch of the Massachusetts Institute of Technology.

Meanwhile, the dollar rose to 6.625 Mexican pesos, before falling back to close at 6.52 pesos, still higher than Friday's close of 6.27 pesos.

In the United States, the problem was seen as a yen and not a dollar problem, with the Japanese central bank forced to swallow dollars to prevent an even worse squeeze on Japan's exports by a strengthening yen.

The fact that the latest disruptions stemmed as much from the dollar's weakness as from any problems in Europe reinforces the need for a single currency, officials said, and keeps the hope alive.

"As soon as the dollar turns around, and it will turn around, things will get better in Europe," the senior EU official said.

## PESETA: Evaluations Fail to Stem European Exchange-Rate Turmoil

Continued from Page 1

political or economic hopes of an early

return. The lira plunged almost 3 percent

Monday, to 1,183 to the mark, underlined

by doubts that Rome can pass an austerity

budget.

Only seven currencies remain uncoupled by devaluation — the mark, the Dutch guilder, the Austrian schilling, the Danish krone and the French, Belgian and Luxembourg francs.

Belgium's colossal national debt is more than double the Maastricht criterion, however, while Denmark has no treaty obligation to join a single currency.

As a result, analysts said, there is little prospect of finding the minimum eight EU countries needed to adopt a single currency in 1997. Even in the hard core, most governments are running deficits well in excess of the Maastricht limit.

"A few of the presumptive club still have to do more in terms of budgetary consolidation," a senior EU official said. "And I would even include the Germans."

The commitment to a single currency remains strong, though, even if the prospects have receded, and some officials contend Monday that the devaluations displayed the system's strengths.

"The decision to realign the peseta and escudo is a proof of the exchange-rate mechanism is working well," said the EU's mon-

etary affairs commissioner, Yves-Thibault de Silguy.

The German finance minister, Theo Waigel, said: "The measures underscore readiness to make currency adjustments when necessary. This ensures the viability of the EMS for the future as well."

In getting their partners to accept the peseta devaluation, Spanish authorities agreed to take whatever steps were needed to defend the currency's new parity and to reduce Spain's budget deficit to 5.9 percent of gross domestic product this year and 4.4 percent next year.

Meanwhile, the weakness of currencies like the lire, which has plunged 40 percent against the mark since the summer of 1992, threaten to distort trade within Europe's single market unless it is stopped.

"On each occasion that this has happened," Mr. Bishop said of the devaluations, "it has reinforced the commitment of the core to get on with a single currency."

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CAPE TOWN HOPES — Children celebrating the opening Monday of an international conference of AIDS sufferers organized by the UN Program on AIDS. It aims to involve people with AIDS in preventive planning.

## EU Link To Turkey Is Final

Greece Ends Veto For Cyprus Talks

BRUSSELS — The European Union agreed Monday to a historic trade agreement with Turkey, after more than 20 years of negotiations. Britain's foreign secretary said.

The official, Douglas Hurd, said the agreement was of immense importance to the European Union.

"We need a special relationship with Turkey," he said. "The centerpiece of this is the customs union."

The agreement to set up the customs union with Turkey, which is to take effect Jan. 1, was made possible after Greece was persuaded to drop its veto of the accord.

In doing so, Athens received a promise that accession talks for the divided island of Cyprus would begin six months after the close of an open-ended review of EU treaties, which starts next year.

The accord with Turkey will open up trade in a wide range of goods and services; unlock nearly \$1 billion in aid and loans to Turkey, and take the country a step closer to joining the European Union.

It is also a key plank in the Union's plans to strengthen security along its southern flank, a goal it shares with the North Atlantic Treaty Organization, which sees the conflict in the former Yugoslavia and instability around the Mediterranean as among its foremost challenges.

Foreign Minister Jacques Poos of Luxembourg said the Union was on the verge of an "historic and strategic" decision, but added that the European Parliament could hold up ratification if there was no improvement in Turkey's human rights record.

Regional rivals in the southern flank, Greece and Turkey, have failed to end a bitter dispute over Cyprus, which was carved into Greek and Turkish Cypriot sectors since a 1974 Turkish invasion of the eastern Mediterranean island.

Other EU states hope the agreement, which has rewarded compromise by both sides, will encourage more concessions over the island's status before membership talks begin.

Only Ankara recognizes the Turkish Cypriot government as accession talks would take place with the Greek Cypriot government in Nicosia.

## BANK: Barings Fallout

Continued from Page 1

million, spread among the 15 banks, according to the Nihon Keizai Shimbun, Japan's leading economic daily.

"I think it's a tiny number," said Goro Kumagai, an analyst at Nomura Research Institute.

Japanese banks already are mired in a mountain of losses stemming from real estate loans that went bad after recession hit Japan several years ago. The exposure to Bar

EU  
To Turn  
Is Final  
Greco-Euro  
For Europe

## Yeltsin, Dismissing 2 Officials, Pledges Crackdown on Gangs

By Steven Erlanger  
New York Times Service

MOSCOW — Russia's powerful Security Council, with President Boris N. Yeltsin in the chair Monday, sharply criticized the Interior Ministry, prosecutors and the domestic secret police for failing to get a grip on organized crime.

Mr. Yeltsin then followed through on a promise last week to dismiss Moscow's police chief, Vladimir Pankratov, and chief prosecutor, Gennadi Ponomaryov.

They were convenient scapegoats for the gangland-style murder last week of a television executive and well-known personality, Vladislav Listev, who was widely mourned in an outburst of public grief and shock.

On Thursday, Mr. Yeltsin went personally to the Ostan-

ki television center, where Mr. Listev worked, to promise a tough crackdown on crime — and not for the first time.

Perceiving that the nation was sick of the hundi and blatant recklessness of the gangsters, Mr. Yeltsin and his government promised again Monday that something would be done and criticized their underlings.

A press statement Monday night said the Security Council had come up with a series of proposals, but there were no specifics.

The new talk of a harsh crackdown, and Mr. Yeltsin's recent praise of Uzbekistan's methods — widely condemned by human rights organizations as authoritarian — have also worried liberal democrats here concerned about a political shift to the right.

They fear that a politically weak Mr. Yeltsin will try to

provide the "strong hand" he thinks the country wants against crime, as the expense of Russians' new and hard-won civil liberties.

In Uzbekistan, Mr. Yeltsin said the local Interior Ministry had "up and shot straightaway" six groups of gangsters and "the situation began to improve."

He said that Russians were so afraid of rebuilding a police state that they also fear "toughening the struggle against these gangster units."

In fact, no one has ever accused the Russian police, whether the uniformed or secret variety, of much deficiency in their handling of criminals, dissenters or anyone else.

Mr. Yeltsin has also been hitting hard at self-described "fascist" groups, which preach religious and racial hatred against dark-skinned Caucasians and Jews, blaming them for the disorder and difficulty of Russian life, including organized crime.

He is reported to be preparing a decree to crack down on the 100 or so fascist groups, many of them tiny, including banning many of their publications.

Mr. Yeltsin will try to

attend by Yves-Thibault de Silguy, the European commissioner for finance.

BARCELONA: The Party of European Socialists organizes roundtable discussions of European policy on Mediterranean countries, on the intergovernmental conference and on the role of women.

BRUSSELS: The European Roundtable of Industrialists holds a conference on "Education for Europe" — toward the learning society," with the participation of Etienne Davignon, president of Société Générale de Belgique as well as president of the Association for the Monetary Union of Europe.

Sources: Agence Europe, AFP.

past, present and future EU presidents to Moscow on Thursday.

It had been expected that he would present the trade pact to President Boris N. Yeltsin for final acceptance. Now, diplomats said Mr. Juppé would demand assurances that basic human rights were no longer being violated in the rebel region.

"What we agreed was that the troika would go to Moscow and make clear that there would have to be a clear improvement on the ground before signature can go ahead," a diplomat said.

Negotiations on an interim trade deal, intended as a stopgap measure until a wider EU-Russian accord is reached, were finalized in December just as Chechnya cast a pall on Russia's relations with the West.

Diplomats said the EU government, anxious to respond to the outrage over the killing of thousands of civilians in Chechnya, wanted a guarantee that humanitarian organizations would be allowed access to the region.

Mr. Juppé represents the holder of the European Union's rotating presidency. He is due to lead a delegation made up of

## U.S. Gives NATO Chief Its Vote of Confidence

Reuters

WASHINGTON — The United States, worried about the effects of the corruption scandal swirling around the NATO secretary-general, Willy Claes, reaffirmed his confidence in him on Monday as he arrived for talks with U.S. officials.

"We have full confidence in him as secretary-general," a State Department spokeswoman, Christine Shelly, said, echoing recent comments made by Vice President Al Gore.

Mr. Claes, who has had to retract statements that he knew nothing about a bribery scheme when he was Belgium's economics minister, met Monday with Secretary of State Warren M. Christopher.

He is also scheduled to see Defense Secretary William J. Perry and will meet President Bill Clinton on Tuesday as part of what U.S. officials say are routine consultations in Washington.

Ms. Shelly said Mr. Claes would be discussing NATO's plans for expansion to include former Warsaw Pact members, the Western alliance's prickly relations with Russia, and the crisis in the former Yugoslavia.

She said the corruption scandal was "something that is being pursued in the Belgian context, and we feel it would be inappropriate for us to comment on that."

■ New Support in Belgium  
Tom Buerke of the International Herald Tribune reported from Brussels:

New Telephone Number  
for the IHT in Paris:  
—(1) 41 43 93 00—

International Herald Tribune  
THE WORLD'S DAILY NEWSPAPER

## EUROPE

### BRIEFLY EUROPE

#### EU Can Begin Talks On Accepting Slovenia

BRUSSELS — The European Union cleared the way Monday for negotiations to begin on an association accord with Slovenia after Italy lifted its veto, Foreign Minister Klaus Kinkel of Germany said.

(Reuters)

The move means the European Commission can begin talks with the former Yugoslav republic that would eventually give it the same status with the EU as countries such as Poland and Hungary, including the prospect of eventual EU membership.

Canada said it would take action after the EU rejected its share of a 27,000-ton

1995 quota fixed by the Northwest Atlantic Fisheries Organization to save stocks of one of the last commercially viable species in the region.

The EU has rejected an allocation of 12.6 percent of the 1995 Greenland halibut quota and has instead set its own limit of 69 percent. It says this is closer to its share of more than 80 percent of the total catch of around 45,000 tons in 1993.

The EU says that its acceptance of the 27,000-ton global 1995 quota was a major sacrifice for EU fishermen and that the sharing out of the catch did not respect historic catches and broke a tradition of seeking consensus.

(Reuters)

#### Canadian Fishing Ban Is Called Unacceptable

BRUSSELS — The European Commission said Monday that a Canadian ban on fishing for Greenland halibut in international waters off Canada's east coast was unacceptable.

Canada said it would take action after the EU rejected its share of a 27,000-ton

### Calendar

European Union events scheduled for Tuesday, March 7:

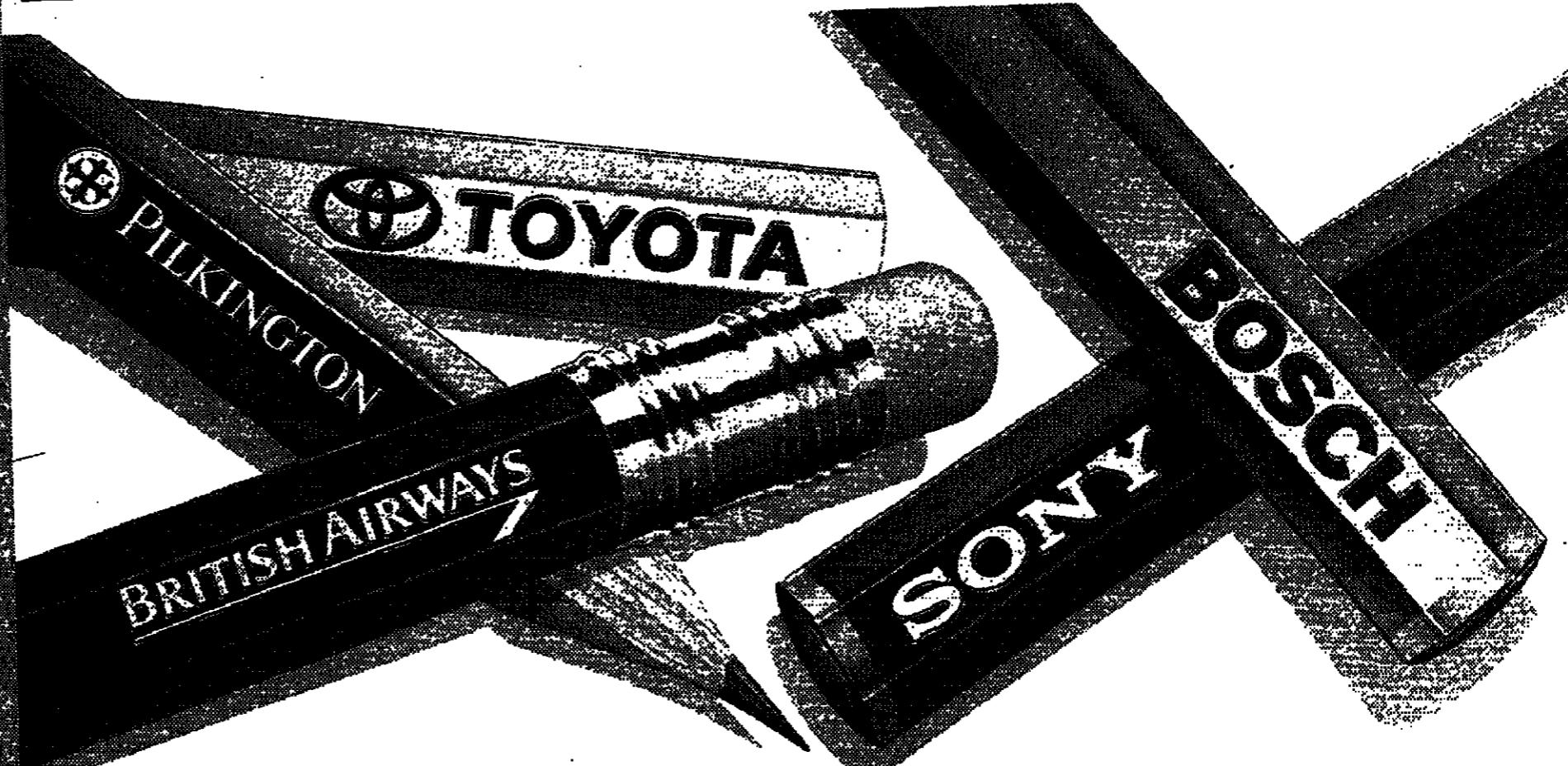
BRUSSELS: European Commission reports on money laundering.

BRUSSELS: The European commissioner on consumer policy, Emma Bonino, addresses a European seminar on public services.

BRUSSELS: Monika Wulf-Mathies, the European commissioner for responsible for regional affairs, meets with Economy Minister Pedro Solbes and Transport Minister José Borrell of Spain.

FRANKFURT: The Council of European Monetary Institute meets. It will be

SO MANY COMPANIES  
FIND WALES  
HAS SUCCESS  
WRITTEN  
ALL OVER IT.



The same thing seems to happen to companies who move to Wales.

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Alternatively you can telephone our Customer Services Team on +44 1222 828820.

IHT

## Negotiation for Algeria

In Algeria, Islamic terrorists assassinate feminists, journalists and secular intellectuals in the streets. Their goal, which they have a realistic chance of achieving, is to topple an equally brutal military government that three years ago cheated an Islamic political party of victory at the polls. That power grab, shamefully endorsed at the time by European governments that feared Islamic fundamentalism more than they cherished democracy, cannot now simply be undone.

Hard-line military elements have grown stronger on both sides of a conflict that has so far killed more than 40,000 people. With the struggle now apparently headed toward a bloody denouement, those same European countries fear that a hostile regime could soon come to power with hundreds of thousands of refugees crossing the Mediterranean.

There is still a chance to avert the worst. Recently a broad coalition of opposition groups offered a platform for peaceful settlement based on an amnesty, a South Africa-style national conference and free elections. Regrettably, the government rejected the offer.

The Clinton administration, which has long advocated a negotiated solution, and the European Union, which has recently come around to the same view, need to press the government to reconsider. One way is to stop rolling over the debis of the Algerian government.

Negotiations cannot conjure away the underlying issues. Even a peaceful transition could lead to an intolerant religious dictatorship. Nevertheless, a negotiated settlement offers the only realistic hope for ending the violence and agreeing on

some safeguards for individual liberties.

Some alarmed Americans see the Algerian crisis as part of a larger problem. The mullahs who rule Iran, they note, still preach and plot against the Great Satan America and sponsor worldwide terrorism. Islamic Holy War and Hamas dispatch bombers into Israel from Gaza, the West Bank and Lebanon. Violent followers of Sheikh Omar Abdel Rahman wage war against Egyptian President Hosni Mubarak. In Afghanistan, a new Islamic student movement challenges the mujahidin guerrillas who evicted Soviet troops. But it would serve no American interest to declare war on Islam, with its hundreds of millions of peaceful believers. Nor is the mixture of Islam and politics necessarily contrary to American interests. Islamic political movements, even fundamentalist ones, can have different agendas and need to be dealt with on their own terms.

The Saudi monarchy, itself founded on fundamentalist principles, has long been allied with Washington, and during the Soviet occupation of Afghanistan the United States spent \$10 billion supporting fundamentalist guerrillas. The real problem comes from a peculiar fusion of faith and demagoguery that casts America as the source of all problems.

The Clinton administration has sensibly taken a nuanced approach to Islamic movements, stressing containment in Iran, support for secular leaders in Egypt and Gaza and a hands-off approach in Afghanistan. In Algeria, to its credit, it has helped form a new Western consensus in favor of a negotiated peace.

— THE NEW YORK TIMES.

## Colombia Disappoints

Colombia presents the hardest test of an American anti-drug policy. It is a friendly country, a neighbor, an ally and a democracy. But it is also the cocaine hub of the world and contributes to more real damage to the United States and its citizens than any other country. American demand is the roaring engine of the international drug trade. But supplier and distributor countries play a part, too.

A fed-up Congress launched an experiment in 1988: to hold supplier countries to account for their anti-drug performance on pain of loss of foreign aid and development loans. As the affected Latin Americans note, no similar accountability was placed on the American side to police demand. Nonetheless, it was worth seeing whether this sort of pressure would make a difference, and especially in Colombia, which has suffered terribly from trafficking and where numbers of brave, incorruptible Colombians daily risk their lives in the war on drugs.

The latest accounting, for 1994, holds no comfort. The flow of drugs northward continues. Colombia's government, Congress and judicial system are deeply penetrated, intimidated and influenced by traffickers. The traffickers' reach is awesome. Colombia's president allegedly ran

wittingly on cartel funds. This is why Bill Clinton has now designated Colombia noncooperative in the war on drugs.

That would ordinarily trigger penalties, but he has also invoked a "national security" waiver to keep penalties from being imposed. Western Hemisphere solidarity counted, and so did the importance of American relations with Colombia. Moreover, the American aid that stands to be cut goes mostly to fighting the drug war.

There is also a political strategy working. Anticipating trouble in Washington, then-President-elect Ernesto Samper, who carries four bullets in his body from an assassination attempt, boldly gave Senator Jesse Helms a list of concrete anti-drug pledges last July. Mr. Helms's staff, checking on delivery, now finds a great gap and argues that grant of a waiver gives Colombia "a signal of legitimacy of counterdrug efforts which that nation's government does not merit."

Some in Colombia are outraged by the Senate report, but its accuracy is undeniable. The U.S. State Department sees the report and its threat of a congressional crackdown as useful in prying out reform. That twisting cooperative path marks the sensible way to go.

— THE WASHINGTON POST.

## Manned Space Missions

With politicians in Washington combing through the budget looking for programs to eliminate, it is astonishing that no one has taken aim at the manned space program. The space agency is spending more than \$5 billion a year to fly its shuttles and build a space station leading nowhere.

The station makes minimal sense unless it is part of a broader plan of space exploration — a manned mission to Mars, for example, or a trip back to the moon for extended exploration or habitation. Yet the date when America will have the resources to finance such enormously costly space exploration is receding faster than you can say "balance the budget."

The crowning achievement of the manned space effort was the 1969 moon landing by American astronauts. But almost immediately the nation's leaders realized that it would be much too costly to proceed deeper into space. Instead they settled for more modest programs that would serve as preparation should another great leap need to be made. Thus a shuttle fleet was built that does nothing but carry astronauts and cargo into low earth orbit, more erratically and at higher cost than lifting the cargo by rockets. Now the United States and several other nations are building a space station that also will be put into low earth orbit. The station at least offers the shuttles somewhere to go. But its value will be limited compared with the cost. The chief gains expected from the station are practice in assembling large structures in orbit and new biomedical knowledge on how humans are affected by long-term exposure to weightlessness and radiation. Those

are worthwhile objectives but only as a prelude to major space exploration.

To its credit, the National Aeronautics and Space Administration has been far more vigorous than most agencies in reducing planned expenditures, cutting its work force and seeking cheaper ways to do things. But making things leaner and cheaper can go only so far. The way to truly big savings out of NASA would be to eliminate the entire manned space program, including the station and the shuttle flights. If that program were terminated this summer, officials say, the net savings would be roughly \$3 billion in the next fiscal year and more than \$25 billion by fiscal year 2000. If the station alone were terminated, the savings would be more than \$14 billion by the year 2002.

Termination of manned space flight would have drawbacks. Other nations participating in the station project would feel betrayed, although many of them are also seeking ways to reduce space expenditures. Russian participants in particular might see their whole space program collapse. Finally, many Americans might be appalled to see their nation flinch from a long-term space commitment simply because of current budget pains.

But continuation of the program also has risks — chiefly that the costly manned missions might increasingly squeeze out highly productive scientific missions using unmanned spacecraft. As Congress whacks away at domestic programs, there is no good reason to exempt the space agency from sharp scrutiny. Its manned space program appears to be one of the more expendable budget items.

— THE NEW YORK TIMES.

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## Modern Turkey Is Part of Europe, and Increasingly So

By Tansu Ciller

The writer is prime minister of Turkey.

**A**NKARA — Some people claim that Turkey is not part of Europe. They are wrong on two counts.

First, they perhaps do not know the Turkey of today, recognizably a modern and European country where young people, for example, have the same lifestyle and interests, concerns and hopes as their rest of their generation across Europe.

Second, without Turkey, Europe would be a continent that chooses to amputate nearly 3,000 years of its own history and culture.

The Turks and Turkey have been a part of the life of the continent for many centuries. It is the idea that Turkey is not European which is new. A strong and prosperous Turkey, firmly integrated into the mainstream life of Europe, will be a beacon of stability over a wide region rolling with religious and ethnic antagonisms. It will give the lie to prejudice and extremism on every side.

A historic step in this direction takes place in Brussels this week, as Turkey and the European Union complete a customs union agreement that has been more than three decades in the making. Starting in January, goods and services will be able to circulate freely between Turkey and the rest of Europe. It is an exciting opportunity for both sides.

Turkey is a young country with a population of 62 million. Inside the European Union, only Germany has a larger market. The EU, with Turkey, will form a vast consumer market.

Turkey and the EU designed the cus-

tom union in the 1960s and 1970s. We have come a long way since then. In 1963, when the treaty linking Turkey to the European Economic Community was signed, Turkey was mainly an agricultur-

al country. Today we are predominantly an urban and industrial nation. Some of our industries, particularly textiles and steel, are considered world leaders.

The customs union, however, represents more than just an opportunity to compete economically. It is part of a much broader trend all over the world toward convergence and partnership.

In the closing years of 20th century, regional free trade blocs such as the European Union and the North America have appeared on every continent. They are stepping stones toward a world of almost unlimited opportunities, built on democratic values, the free market system and the miracles of new technology.

Adaptable and pragmatic regional economic groupings are the best way to

overcome historical suspicions and rivalries. They provide a framework in which business communities in every country cooperate freely to generate prosperity.

Turkey is situated on the edge of both Europe and the Middle East. So it has an almost unique combination of experience and insights where regional groupings are concerned.

We are working hard with Israel and the leading Arab states to ensure that the endemic conflict of the Middle East is replaced by cooperation and the elimination of poverty and insecurity.

Our geographic position enables us to share in similar ventures elsewhere. The Black Sea Economic Cooperation Organization is forging links between countries in the Black Sea region. At its meetings, even hostile countries such as Azerbaijan and Armenia sit around the same table to discuss ways of peaceful cooperation. Elsewhere, we are trying to promote trade and cooperation in the Caucasus and among the newly independent countries of Central Asia.

There are two reasons we stress trade and cooperation this way.

The first is economic. As a newly industrialized country, we know that faster growth and greater prosperity can come only if we stimulate international trade and capital flows. This is the only way to ensure that all of our citizens enjoy the standard of living to which they aspire.

The second is geopolitical. Unfortunately, one does not have to look far outside Western Europe to see serious

threats to international order. Turkey is a democratic and stable country, but, unlike North Americans or West Europeans, we live close to several of the world's trouble spots.

Ancient hatreds, ethnic grudges and fanaticism based on differences of religion and nationality still stalk the world. They are claiming millions of innocent victims even today. Bosnia has shown us how much suffering can be caused by nationalism based on religious and ethnic strife.

Some trends in the Middle East cause anxiety. One is the spread of extremist fundamentalism. Here I strongly believe that Turkey has an important contribution to make. Its population is Muslim and devout, but also European and overwhelmingly moderate. A cardinal principle of the Turkish republic has been that religion and politics must be firmly separated. Turkey's secularism is simply the liberty of conscience that people in advanced, democratic countries take for granted.

Laying prejudices and fear to rest takes time and effort. Building prosperity is also something that is not accomplished in a single day. Setting up a customs union between Turkey and the European Union presents tough challenges to all involved. But it is an important new doorway being opened to a better and more secure world. The benefits will be felt not just in Europe and Turkey but far beyond.

New Perspectives Quarterly.

## A Japanese Consensus on the Pacific War Still Doesn't Look Close

By Roger Buckley

**T**OKYO — Confronting its past record in the Pacific war is getting harder for Japan as the 50th anniversary of its defeat in August 1945 approaches.

The difficulties that Tomioi Murayama, the Social Democratic prime minister, faces in pressing his conservative coalition partners to agree to an unprecedented parliamentary resolution apologizing for Japanese wartime behavior illustrates graphically the divisions that run deep within the nation.

Mr. Murayama's attempt to produce a joint document to explain why his generation went to war and what it did in the Asia-Pacific region is likely to fail. It is proving too hard to paper over the enormous gulf between the left and those nationalists who prefer to look at what happened to their country rather than at what it did to its neighbors and the West.

Splits in the Diet reflect the lack of consensus in a nation that

usually takes pride in presenting a united front to the outside world. No amount of camouflage can reconcile the opposing visions of the most important years in Japan's modern history.

Influential right-wing forces are adamant that there is no need to apologize for the sneak attack on the United States at Pearl Harbor or for Japan's colonization of Southeast Asia once it had evicted the Europeans and Americans.

The rightists' insistence that the region was "liberated" by Japanese forces ignores the reigns of terror in the Philippines, Singapore and Malaysia that the new rulers imposed on those who opposed resistance.

There are three explanations for the bizarre versions of history held by many Japanese.

Strong domestic political groups with nationalist views have close connections to the

conservative Liberal Democratic Party which partners Mr. Murayama's Social Democrats in the governing coalition. Members of organizations representing bereaved families insist that the relatives of those who died in combat or on the front should not have to listen to their government voicing anti-Japanese sentiments that ape the views of the West.

Such views, they argue, are merely "victors' history" and should be rejected as an alien ideology imposed by people who know little or nothing of the pressures of Western encirclement faced by Japan in 1941.

Secondly, there is fear that any all-party statement from the Diet would prompt a host of renewed claims for adequate financial compensation from the many victims of Japanese imperialism.

One group seeking reparations

are the so-called comfort women. Women from Korea, the Philippines, Taiwan, Malaya and Indonesia were press-ganged into prostitution in Japanese military brothels. Legalistic arguments by successive governments in Tokyo that the issue was settled under the peace treaty signed at San Francisco in 1951 and the Japan-South Korea pact of 1965 remain unconvincing.

The claim that Tokyo has already fulfilled its obligations to victims of its wartime barbarism has also been used to block a campaign for compensation by surviving allied prisoners of war for their suffering in Japanese camps in Southeast Asia.

The third reason for contemporary Japan's selective amnesia about the Pacific war is the most disturbing for the country's future international role and the health of its democracy.

There is a virtual conspiracy of silence in the political and bu-

reaucratic establishments which leaves young Japanese often uninformed about the war years.

Despite repeated promises of education reform, many Japanese university students are taught little about why their grandparents went to war and the havoc they wreaked in Asia. In place of this knowledge, most students leave college with an exaggerated enthusiasm for peace studies and the idealistic hope that Japan's postwar good behavior can serve as a model for a cooperative, non-violent international society.

The bickering in the coalition government is certain to continue. At the present rate of progress, it could be another 50 years before Japanese society reaches a consensus on the history of the Pacific war.

The writer, a professor of history at the International Christian University in Tokyo, contributed this comment to The Herald Tribune.

## A Nuclear Double Standard Endangers the Nonproliferation Treaty

By Susan Eisenhower

**W**ASHINGTON — On the way to pressuring Russia into withdrawing from its agreement to provide Iran with nuclear reactor technology, the United States may well have ensured itself a rough ride in securing the permanent extension of the Nuclear Nonproliferation Treaty.

Although the Clinton administration has designated the passage of a permanent, unconditional nonproliferation treaty as a priority, it will have to overcome mounting criticism among those undecided countries which say that the nuclear regime has benefited only the Western industrialized nations and their allies, creating an unfair and counterproductive double standard.

Such complaints will be difficult to refute when 172 nations meet next month in New York to decide on the future of the treaty.

part of the major nuclear powers to meet the disarmament objectives outlined in the 1970 pact.

More recently, criticism has been focused on the other provision outlined in the treaty, which ensures those who agreed to abstain from developing nuclear weapons access to peaceful nuclear power technology.

This underlying lack of access to higher education created an acute shortage of qualified Albanian teachers. Since independence, the most influential Albanian party has pushed the coalition government to establish a teacher-training college for Albanians.

This underlying lack of access to higher education created an acute shortage of qualified Albanian teachers. Since independence, the most influential Albanian party has pushed the coalition government to establish a teacher-training college for Albanians.

But Macedonian Slavs say the Albanians are simply trying to establish political autonomy as a first step toward secession and independence.

Macedonia, the

## EDITORIALS/OPINION

## The Debate Is About How, Not Whether, to Intervene

By William Safire

**WASHINGTON** — "The new isolationists," Bill Clinton told the foreign policy audience at the Nixon Center for Peace and Freedom last week, "would have us face the future alone."

That was an apt theme. I recall writing a speech to the Air Force Academy a quarter-century ago tak-

**Gingrich's rule:** 'We don't come unless we're really pushed, and if we're really pushed we're unstoppable.'

ing a pop at the same straw man: "It would be easy," Richard Nixon told the graduating cadets, "easy for a president of the United States to buy some popularity by going along with the new isolationists."

President Clinton's menu was serious, his remarks substantive. The speech writer, Robert Boorstin, can take pride in his meat-and-potatoes product and his boss's subtle, almost Nixonian tone in delivery of conciliatory confrontation.

But the essential conflict taking place in U.S. foreign policy today — laid out clearly in a half dozen remarkable speeches at the same Washington forum — is not between isolationists (new or old) and interventionists (who prefer to be called internationalists). Global heavy thinkers are not arguing about withdrawing from America's duty to help keep the world in order. The real battle is about the way to go about it.

One school says America should pick its spots and assert its leadership, inspiring and pressuring and expecting allies to follow. These unilateralists, as the foreign policy elite likes to call them, are opposed by multilateralists, who believe the United States should act mainly in concert with international organizations like the United Nations and NATO.

Mr. Clinton is an unabashed multilateralist. "The new isolationists both on the left and the right," he charged, would "eliminate any meaningful role for the United Nations" and "deny resources to our peacekeepers."

The opposite, unilateralist policy was expressed by Mr. Nixon long ago to the cadets: "I say that America has a vital national interest in world stability, and no other nation can uphold that interest for us."

Senator Bob Dole gave multilateralism the back of his hand by

deciding that "the UN veto on behalf of aggressors" in Bosnia "should not be excused, ignored or minimized," because inaction encourages "other radical ethno-nationalists by giving them the green light for ethnic cleansing."

Newt Gingrich, spinblindly stressing the need for new visions and strategies, offered none. Although the speaker of the House talked of America as a hegemon — "we have an active duty to routinely be the leader" — he copped out on Bosnia.

Accepting the European argument that no U.S. troops on the ground means no U.S. influence on Balkan policy, Mr. Gingrich derided a situation in which "they take the investment of their people day to day trying to manage the process while we lean on their shoulder and tell them they're doing it wrong."

He said this "strains NATO and makes us all look dumb."

Does that criticism of Mr. Clinton's critics make the speaker a closet Clintonite? Although it was hard to tell from his avowely abstract speech, Mr. Gingrich's Weltanschauung-in-information leans toward reluctant unilateralism.

We have to have the Roman rule that we don't come unless we're really pushed, and if we're really pushed we're unstoppable."

Henry Kissinger had no such ambivalence. The multilateral view "which now claims to be internationalist, really started out as isolationist. It considered the American role in the Cold War presumptuous, excessive and some even thought it as potentially evil."

Taking on the president respectfully but directly, Mr. Kissinger illuminated the congressional backlash against the United Nations: "In the end America cannot derive its motivation from an international consensus. It has to develop its specific purposes and then try to shape an international consensus."

Add to this thoughtful free-for-all, happily begun in the Nixon think tank, the divergent views of Senators Phil Gramm and Richard Lugar and you get the beginning of the Great Debate on the way America should lead or follow the world. Senator Jesse Helms, chairman of the Foreign Relations Committee, assures me that this controversy will be aired in full before his new activist panel.

Shall I now declare my own hawkish unilateralism, laced with popular prudence? That, as an old mentor used to say, would be the easy way.

*The New York Times*



## LETTERS TO THE EDITOR

## Dresden: Looking Back

*Regarding "It's 1995 and Not Time to Shed Tears for Dresden" (Opinion, Feb. 27) by Charles Fenyvesi:*

I can only ask: If not now, when? It is clear, looking back, that by February 1945 Germany was a defeated land. Still, bombing missions planned well in advance were carried out because no one had the moral courage to call them off.

Mr. Fenyvesi makes one point very clear, though indirectly. Generals and politicians make plans and give orders, soldiers carry them out (they should not have to apologize), but in the end, as in all wars, it is the civilians — the elderly, women, children and the infirm — who are victimized. For whatever reason, Mr. Fenyvesi seems unable or unwilling to see this in the light of Dresden.

GERALD BOWMAN  
Munich.

Mr. Fenyvesi is guilty of perpetuating the myth of Allied innocence in World War II, inaccurately adopting political realism in his assessment of the Dresden bombing. He almost seems to argue that any German killed by Allied bombs deserved to die merely for having been German — regardless of the circumstances.

It is an undisputed historical fact that the Allied command either lied or made an error: Dresden was not militarily significant to the Allied war effort. Mr. Fenyvesi should realize that this is not a question of scale;

admitting Allied guilt in this case makes the Nazis no less culpable.

R. H. WEGNER  
Phoenix.

## Both Words and Thoughts

*Regarding "Too Mean in Japanese? Try English" (Feb. 22) by Nicholas D. Kristof:*

The reason the Japanese import so many English words, other than the preference for exotic sounds and a desire to avoid more direct Japanese words, is that the Japanese are importing many thoughts from the West. Consider the newly introduced word *sekku-hara*, or sexual harassment. The problem of sexual harassment is not new to Japanese society, of course. But it was not until Americans began taking a hard look at the issue. We had no simple word expressing the idea that it was a bad thing for bosses to force sexual relationships on female employees.

Foreigners borrow our words, too, of course. Consider *karaoke*.

MASATO TAKEUCHI  
Akita, Japan.

The Germans are also adept at assimilating English words and creating new ones. Germany's Federal Railways offer *Twen* fares for under-26-year-olds. And a German male may wear a *Pullunder*, or sleeveless sweater.

KENNETH ATTWOOD  
Hamburg.

STEPHEN T. JACOBS  
Jakarta.

## Gingrich: A House Divider

*It is not so much Newt Gingrich's policies and proposals, such as creating orphanages for children of unwed mothers, that disturb me. What is worrying is his calm condemnation of anything not resembling himself and his class.*

His "conservative opportunity society" is, one assumes, rewarding to him and his like. Fine. But what about those of us who are neither conservative nor opportunistic?

I do not wish to attack the job Mr. Gingrich is doing; I only wish that he would realize that as speaker of the House he represents *all* the people.

O. AZAR.  
Paris.

## Take to the Field, Please

I have been away from the United States for 14 years, but I have watched from afar. Some of what I have seen has filled me with pride, some has caused shame. Of all that I diligently show my son, the most difficult thing to communicate is what it means to be an American. America is changing, and I try.

We are gracious, or so I once understood. We are righteous, respectful of fair play and pure achievement, students of history and trivia at the same time. For my son the proofs of all this will come differently. But for me, please, I beg of you: Give me back baseball, my national game.

STEPHEN T. JACOBS  
Jakarta.

## The Work-Family Collision: Head-On With No Air Bag

By Ellen Goodman

**BOSTON** — Now at last we know the precise mathematical point between a rock and a hard place. It is Marcia Clark's life.

She is the prosecutor in a case so high-pressure and so celebrated that it is headline news if she drops a verb or rips a stocking.

She is a single mother competing with the big boys. When she tried to get home on time one night, the defense attorney Johnnie Cochran calmed her child care worries a ploy.

And she is an ex-wife whose ex-husband is suing for custody of their two boys on the ground that he can be home at 6:15. This is what he tells the world: "I have personal knowl-

## MEANWHILE

edge that on most nights she does not arrive home until 10 P.M., and even when she home, she is working."

You want a single mother's nightmare? You want a professional mother's post-modern bind? I give you Marcia Clark.

The Los Angeles prosecutor did not arrive at the site of this disaster on purpose. She and her husband split up three days before Nicole Simpson and Ronald Goldman were murdered. She was, I am sure, familiar with the conflict between work and family. But now she is caught in a head-on collision at 90 miles an hour without an air bag.

Remember Jennifer Ireland? This young woman lost custody of her 3-year-old daughter Maranda because she left her in "the care of strangers" — day care — to take college classes.

A judge ruled that Maranda would be better off with her father, cared for by family. The ruling was only stayed pending appeal.

Remember Sharon Prost? This woman who works in Senator Orrin Hatch's office lost custody of her sons because the judge said she put her job before her kids. Her ex-husband — who had been unemployed for a year — won because his hours were shorter.

Well, it's going around.

In the world of flat-out, stressed-out two-job marriages, parents negotiate work and kids, bosses and caregivers, with a time clock in one hand and a calculator in another. For the most part, women are the ones who do the juggling and the compromising, who turn from career paths to mommy tracks. But if the marriage ends in the courtroom, they had better be able to prove it. They had better not be guilty of success.

These days half of the custody dis-

putes are won by fathers. These days fathers who are sued for money often sue for the kids in a mutually assured destruction tactic of post-marital warfare. These days it seems that many judges have a new double measure: stick. Mothers who do less caring than the judge's mother did are seen as neglectful. Fathers who do more are seen as heroic.

If there is anything a woman wants, it is a partner in the business of raising kids. Fathers who do their full share, who are the primary parents, the stay-at-home dads, deserve equal treatment if their marriage breaks up. It is part of the deal.

But what about the other deal? What are we saying to a single mother who works two jobs to make ends meet? To a divorced woman expected to be both breadwinner and nurturer? To the mother who has to choose between a high-octane job and a low wage?

The message is: watch out. Time may be the only standard on which you are judged as parent.

Well, one of the great modern myths is quality time. Kids need quantity as well. Every parent makes choices, but the work world does not make these choices easy. In the Simpson case, there is no flex time, no job share, no part-time. Johnnie Cochran said once that he regretted not spending more time with his children. But Marcia Clark cannot leave at 3 o'clock.

Nevertheless, time is not the only measure of a parent's love, or a child's best interest. Or Marcia Clark's fitness as a parent.

Believe it or not, the O. J. Simpson case will not go on forever. It just seems that way. It is wrong to decide something as permanent as a child's lifelong custody on something as temporary as a trial.

In any work life there will be a time when one parent's job is too demanding, when she is sick or he has to travel. If every change in one parent's work schedule risks a change in custody, divorcing couples will be in court longer than Judge Lance Ito.

As for Gordon Clark? He may be a father worried about his sons or he may be an ex-husband out to defeat his ex-wife. But what impeccable timing. What better moment for a man to tell a woman in full view of the world that she can't have it all.

Marcia Clark is at the top of her form. And still stuck. Between work and family. Between a rock and a hard place.

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Dolce & Gabbana's houndstooth-check dress.



Pastel dress and coat from Istante by Versace.



Gucci's satin shirt and hipster pants.



Corset-fitting jacket at Moschino.

## A Manhattan Melody in Italian Shows

By Suzy Menkes  
International Herald Tribune

**M**ILAN — Red as a devil's cavern glowed the crumpling ceiling and cracked walls. At the epicenter of popping flashbulbs and parading models was Anna Sui — one of a handful of American designers revving up Italian fashion.

The international fall-winter shows are supposed to open in Milan and end in mid-April in New York. Yet it was Tom Ford at Gucci who set the scene rocking with a Mick Jagger and Marianne Faithfull parade of taut satin shirts, low-slung hipster pants and shoes shining metallic like a Cadillac.

The other Americans making it in Milan are Lawrence Steele, formerly with the hot fashion house Prada; Russell Bennett, design consultant at Moschino; Rebecca Moses, an adviser to Genny, and Zoran, who has presented his no-fuss, fine-quality clothes in Milan for five years. This season he brought along Christian Francis Roth, a young New York designer with whom he plans to create a new line.

Against this Manhattan buzz, Gianni Versace was in uncharacteristically laid-back mode — sending out dresses and three-quarter coats like mother used to wear — in his Istante and Versus lines. But Dolce & Gabbana's close-fitting jackets and curvy dresses emphasized the structure and silhouette that is fashion's latest look.

The mood in Milan is somber, not just because of the continuing political uncertainty and currency fluctuations. (The weak lira has boosted Italian exports.) But there is a general feeling that designer fashion is stagnating and customers are apathetic.

"This is a moment to be professional about fashion," Giorgio Armani said

while fitting the new hourglass suits he will present in a big show in an industrial complex on Thursday.

In spite of the dearth of new young talent and a lack of fashion energy in Milan, American buyers emphasize the importance of Italian clothing to the stores.

"It's the tailoring, the fabrics, the quality all the way through — American women respond to it," said Dawn Mello,

### MILAN FASHION

president of Bergdorf Goodman, which fields an 18-strong team.

Gucci's hip show brought fun and dynamism to the quality product — deep-pile mohair coats in electric colors, pin-striped pantsuits, knit-dress and squishy bags that came in metallic patent leather or even fur.

It was retro: Kate Moss in velvet pants even tighter in the thighs and lower-slung than snake-hips Jagger used to wear. But Ford's rainbow-colored hologram-print shoes were a modern take on the hippy look. And the show, held in a grand salon under a quartet of massive chandeliers, held a good balance between what is good to wear and great for magazines to photograph.

Dolce & Gabbana made a B-line for the body: a swell of bosom, sharp in at the waist and curving hips for the suits that opened the show. Jackets and coats were either tight-fitting or tied, with a focus on the belted safari jacket and trench coat — cuts in bold houndstooth check, shining plastic or fake fur.

The mix of textures and graphic use of black, white and wicked-lady scarlet made even the ladylike two-piece and Dolce Vita sleeveless day dress look modern. And since the designer duo have made the corset their signature, the evening look of laced bodice with fluted chiffon was spirited.

Versace — who took a bow with sister Donatella — proved the danger of making a show of a secondary line. Knee-length dresses and three-quarter coats in sweet-pea pastels at the Istante show? What a bore! Seen them all before — on Versace's own runway. And, of course, in those archive pictures of Balenciaga circa 1959.

Even the supermodels could not prevent satin skirts, suspended from crepe bodices cut in a straight line above the bust, from looking dowdy. And empire-line dresses in crystal pique looked better on Madonna, who was projected in concert in a Goliath-sized image on the curtained backdrop.

The Versus line was livelier, with its geometric checker-board dresses recalling Courrèges in the 1960s and bold mixes of herringbone tweed with plaid — including tartan shoes and bags.

**T**HE Moschino show was a credible attempt to capture the wacky spirit of the designer, who died in September. There were corset seams and frills stitched to the outside of Moschino's impeccably cut jackets. References to witticisms or appliquéd symbols from previous collections were used alongside the bustle and ballgown trends launched by John Galliano and Vivienne Westwood. In a moving finale, blue sky-and-cloud-patterned outfits with wings, wings paid tribute to the late designer.

Kean Ergo is pushing the family business toward high-fashion clothing as well as the strong bags, printed scarves and accessories. His sister Veronica is studying fashion at St. Martin's in London and the 10-strong design team includes fledgling British designers.

But the relationship between Milan fashion and foreign talent is a mutual love-in.

"This is a designer's dream — it is a good combination because Italian technology and craftsmanship is very well developed," said Sui, who is creating a new line with Gilmar as well as designing its Cento Per Cento range.

And Ford explains why American designers can flower when they quit Manhattan for Milan. "It's leaving your own culture," he said after the Gucci show Sunday. "You are not restricted by all the silly things you learn at home."

Alongside American designers, there are also the British. The best of Katharine Hamnett's show was American-inspired: cyberspace cowgirls with fringe-patterned trompe l'oeil on a sweater, wide nylon pants and moon boots. Scott Crolla, in a first collection for Callaghan, took a nomadic journey through the 1970s, with a long, triple-layered silhouette, for velvet dresses in gothic colors and crepe pants flaring over satin shoes and tapestry boots.

Where is the young Italian talent? Angela Missoni created a lively event with a video-show and still-life display inspired by women as superheroes — encased in stretch bouclé, gleaming in metallic Lurex or wearing knits in bands of different-sized stripes like a computer printout. Missoni itself went hip — if by that you mean bras bursting through knit cardigans, hug-me-tight dresses and ice-sharp heels on padded ankle boots (stalagmite headgear optional). The best trick was a nylon backpack unfurling as a rainbow-knit coat.

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## Berets Are Off to Krizia

*International Herald Tribune*  
**M**ILAN — Krizia celebrated 40 years in fashion and 100 years of cinema with the perky beret as its unifying theme — after silver-screen stars from Marlene Dietrich to Marilyn Monroe were projected wearing berets.

"I can't believe it is 40 years — it seems like yesterday," said the designer Maruccia Mandelli. "I am pleased to demonstrate that fashion is not a beast that changes all the time."

That was a reference to her signature spoon-shouldered tailoring and to the house's panther symbol that was abstracted to a pelt pattern in embroidery or a big-cat silhouette on a fringed flapper dress.

A dramatically staged exhibition of Krizia's work opened Monday at Milan's Triennale, tracing Mandelli's career, with her menswear "Alcantara" and feathered hats, and featuring young designer Walter Albini and of Karl Lagerfeld.

There are the knits that are a house trademark — and came in the show as puff-shouldered sweaters, sinuous long dresses and fluffy evening wear set with rhinestones.

A photograph by 1970s cult snapper Chris von Wangenheim of brief play shorts and platform shoes still looks modern after 24 years, said Mandelli, who received an ovation for her contribution to Italian fashion.

Suzy Menkes



Mandelli, left, and her flapper dress.

## BOOKS

### REEF

By Romesh Gunesekera. 190 pages. \$20. The New Press.

Reviewed by Richard Eder

I T was 10 years or so into the bloody political and ethnic violence that, since the late 1950s, has afflicted the beauti-

ful island that once was Ceylon and now is Sri Lanka: "All over the globe revolutions erupted, dominoes tottered and guerrilla war came of age; the world's first woman prime minister — Mrs. Bandaranaike — lost her spectacular premiership on our small island, and I learned the art of good housekeeping."

Romesh Gunesekera's "Reef," a novel about a youth who comes precariously together in a disintegrating world shares the fragrant sweetness of its setting and its agony of change. It works them into the first-person narrative of a poor farmer's son for whom a job is wangled in Colombo as apprentice houseboy to Salgado, an eccentric intellectual who is the island's leading marine biologist.

Gunesekera has taken the risk of telling a large story in the tiny, almost cloying constriction of meals, recipes, furniture polishing and a boy's besotted reverence for the figure for whom he performed these tasks. There are times in "The Reef" — the loving preparation of a festive tea, a nerve-racking experiment with a Christmas turkey — when we could almost be reading a wry food-page feature about the perils and pleasures of Third World

cookery. We are reading something quite different.

When Triton, the narrator, comes to work for Salgado, it is not simply a job. It is passage from the primitive countryside to the complex tasks and ceremonies that mark the highly civilized world where people read books, govern countries, enjoy wealth and travel to England.

When the departure of Salgado's cook and principal houseboy leaves Triton to do everything alone, it is not a burden handed to him but a sword. Through ordeal and peril to glory: He works and studies to become the perfect cook, butler, valet and housecleaner, and to please Salgado and Salgado's dazzling girlfriend, Miss Nili.

Triton's account begins long afterward on a cold night in London where he has lived for many years and has managed to set up, after hard struggles, a successful restaurant. Cooking is no longer a joyful salvation but simply a way to survive. It is the particular achievement of Gunesekera that he has been able to weave into Triton's buoyancy and comically ecstatic account of life as a servant, more complex glimpses of Salgado, Nili, Sri Lanka and himself, and of the hard things that change was bringing to all of them.

Salgado is a wonderful mix of abstraction and urgency. He drifts about the house like a cogitating writh until Nili smiles him; whereupon he fuses continually: Nili, sexy and frail, turns Triton into a buzzing creature of desire. The fact that he reveres her and his master too much to do anything about it only makes the erotic charge more powerful.

The growing strife and displacements of Sri Lanka and the world infiltrate the feudal glory of Triton's kitchen. Political polarization and radical urgencies endanger and ultimately destroy his scientific mission: the ecological preservation and careful development of the Sri Lankan coastal waters, with a particular view to protecting the fragile coral reefs offshore.

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age, destroy the living integument while seeking to give it more vital forms. Civilization is at the surface, not deep down; destroy the surface and the life that preserves it will die.

Gunesekera's point, like his coral, is not calcified but alive. As Salgado leaves his post and takes a modest job in Britain — a number of his friends have been killed in the growing violence — his life changes but does not come to an end. Neither does Triton's; he accompanies his master and continues to serve

whatever is left, even when it is only the past. Before Triton drives him to the airport, his former master tells him: "You know, Triton, we are only what we remember, nothing more. All we have is the memory of what we have done or not done; whom we might have touched, even for a moment." Perhaps, after all, coral would talk that way.

Richard Eder is on the staff of the Los Angeles Times

## CHess

By Robert Byrne

**V**LADIMIR KRAMNIK beat Kiril Georgiev in the World Chess Olympiad.

In the Slav Gambit Accepted, with 4...dc 5 s4 Bf5, Black has given up his strongpoint in the center but gotten his queen bishop out. Instead of straightforward development with 6 e3 followed by 7 Bc4, Kramnik prefers the ambitious 6 Ne5 e7 f3.

After 7...Bb4, 8 e4, Black cannot spinelessly retreat with 8...Bc6? because 9 Bc4 gives White a strong center and the black queen bishop is out of action. To fight, he must play 8...Be4!?, 9 Ne4.

After the immediate 16 Qe3, Black should not play 16...Qf5? because 17 Kc3 Nc5 18 Be2 is safe enough for the white king and the white pawns are united. Thus, 18...Qf6 19 Kh4 a5 20 Ka5 Rb4 21 Rad1 Rb8 22 Rb4 Rd4 23 Rd1 Rb1 24 Rb1 creates a won endgame for White.

But Georgiev's 16...Kb8 was passive and did not prepare a

good defense for the black king anyway.

Kramnik's 17...Be2! was a standard sacrifice, but here accepting it with 17...Qe2 would concede White a solid positional advantage after 18 Rb1 Qh2 19 Rg7. His point was that Ne5 f6 20 Kb3 Nc5 would be destroyed by 21 Qc5 Qe5 22 Ne5 f6 23 Nc5 Nc5 24 Ne5.

On the inoffensive 17...Ka8, Kramnik took a strong step toward blunting any black counterplay with 18 g4!

Had Georgiev reduced material with 22...Rd1 23 Kd1, his

back rank would have been

weak and Kramnik could easily have attacked the enemy pawns on both flanks. Not doing so, however, left him open to a powerful attack. After 22...Rb8 23 a5 Nc7?, Kramnik struck a smashing blow with 24 Nb6 25 ab Nao, but after 29 Qd6 Rb3 30 Ra3, the endgame was lost for Black. In any case, he did not play 26...Qc5 because of 27 Rb6 ba 28 Qc6 Rb7 29 Qc8 Qb8 30 Ra6.

After 41 Kd5, the time control having been passed, Georgiev gave up.

White: Kramnik Black: Georgiev Kramnik Georgiev

1 Nf3 d5 2 Nc3 Nf6 3 e4 c5 4 d4 Nc6 5 Nc3 Nc5 6 Nf3 Nf6 7 Bf4 Bc5 8 e5 Nc6 9 Bc4 Bb4 10 Nc3 Nf6 11 Nf3 Nc6 12 Qd2 Qd5 13 Rb1 Rb8 14 Rb1 Rb8 15 Rb1 Rb8 16 Rb1 Rb8 17 Be2 Qe2 18 Rb1 Qh2 19 Rg7 20 Kb3 Nc5 21 Qc5 Qe5 22 Ne5 f6 23 Nc5 Nc5 24 Ne5

1 Nf3 Nf6 2 Nc3 Nc6 3 e4 c5 4 d4 Nc6 5 Nc3 Nc5 6 Nf3 Nf6 7 Bf4 Bc5 8 e5 Nc6 9 Bc4 Bb4 10 Nc3 Nf6 11 Nf3 Nc6 12 Qd2 Qd5 13 Rb1 Rb8 14 Rb1 Rb8 15 Rb1 Rb8 16 Rb1 Rb8 17 Be2 Qe2 18 Rb1 Qh2 19 Rg7 20 Kb3 Nc5 21 Qc5 Qe5 22 Ne5 f6 23 Nc5 Nc5 24 Ne5

1 Nf3 Nf6 2 Nc3 Nc6 3 e4 c5 4 d4 Nc6 5 Nc3 Nc5 6 Nf3 Nf6 7 Bf4 Bc5 8 e5 Nc6 9 Bc4 Bb4 10 Nc3 Nf6 11 Nf3 Nc6 12 Qd2 Qd5 13 Rb1 Rb8 14 Rb1 Rb8 15 Rb1 Rb8 16 Rb1 Rb8 17 Be2 Qe2 18 Rb1 Qh2 19 Rg7 20 Kb3 Nc5 21 Qc5 Qe5 22 Ne5 f6 23 Nc5 Nc5 24 Ne5

1 Nf3 Nf6 2 Nc3 Nc6 3 e4 c5 4 d4 Nc6 5 Nc3 Nc5 6 Nf3 Nf6 7 Bf4 Bc5 8 e5 Nc6 9 Bc4 Bb4 10 Nc3 Nf6 11 Nf3 Nc6 12 Qd2 Qd5 13 Rb1 Rb8 14 Rb1 Rb8 15 Rb1 Rb8 16 Rb1 Rb8 17 Be2 Qe2 18 Rb1 Qh2 19 Rg7 20 Kb3 Nc5 21 Qc5 Qe5 22 Ne5 f6 23 Nc5 Nc5 24 Ne5

1 Nf3 Nf6 2 Nc3 Nc6 3 e4 c5 4 d4 Nc6 5 Nc3 Nc5 6 Nf3 Nf6 7 Bf4 Bc5 8 e5 Nc6 9 Bc4 Bb4 10 Nc3 Nf6 11 Nf3 Nc6 12 Qd2 Qd5 13 Rb1 Rb8 14 Rb1 Rb8 15 Rb1 Rb8 16 Rb1 Rb8 17 Be2 Qe2 18 Rb1 Qh2 19 Rg7 20 Kb3 Nc5 21 Qc5 Qe5 22 Ne5 f6 23 Nc5 Nc5 24 Ne5

1 Nf3 Nf6 2 Nc3 Nc6 3 e4 c5 4 d4 Nc6 5 Nc3 Nc5 6 Nf3 Nf6 7 Bf4 Bc5 8 e5 Nc6 9 Bc4 Bb4 10 Nc3 Nf6 11 Nf3 Nc6 12 Qd2 Qd5 13 Rb1 Rb8 14 Rb1 Rb8 15 Rb1 Rb8 16 Rb1 Rb8 17 Be2 Qe2 18 Rb1 Qh2 19 Rg7 20 Kb3 Nc5 21 Qc5 Qe5 22 Ne5 f6 23 Nc5 Nc5 24 Ne5



## MARKET DIARY

## Blue Chips Rebound Despite Sagging Dollar

Bloomberg Business News

NEW YORK — U.S. stocks closed mixed on Monday as Walt Disney, technology and oil issues rallied, offsetting a slump in bank and utility stocks caused by a falling dollar and rising Treasury bond yields.

Falling stocks swamped advancing issues by almost eight.

## U.S. Stocks

to three. Even so, stocks managed to overcome record lows in the dollar, a drop in Treasury bonds and continued poor economic news from Mexico.

After tumbling as much as 33.89 points, the Dow Jones industrial average rose 7.95 points to 3,979.56, adding to Friday's gain of 9.68 points.

The benchmark 30-year Treasury bond's yield rose to 7.59 percent from 7.54 percent.

Disney, which surged 2% to a record high of 564, contributed 5.9 points to the Dow. Advance Philip Morris climbed 1% to 63.6 and IBM jumped 3% to 80.4, its highest highest since September 1992 and up 9 percent since last Tuesday.

Among broad-market indexes, the Standard & Poor's 500 edged up 0.21, to 485.63. Stocks

got a late boost from a round of computer-guided orders to buy stocks that began late in the session and added 11 points to the Dow and 1.1 points to the S&P 500, according to Birinyi Associates Inc.

The part of the explanation for the rebound can be found in the large losses U.S. investors have suffered in Latin American and Asian markets in the past few months, said Thom Brown, managing director at Rutherford, Brown & Catherwood.

"There are a lot of people de-serting these foreign markets and putting their money back into this market, and when they do they're looking for anything that will grow its earnings and has reasonable quality," Mr. Brown said.

The Nasdaq over-the-counter index dropped 1.02, to 797.77, after initially falling as much as 7.09. Its recovery was buoyed by reports that have surfaced of a shortage of computer memory chips needed for multimedia and interactive applications. Hewlett added 1% to 118.5, Micron Technology Inc. spurred 1% to 69.5, Texas Instruments leapt 2% to 88.5, and Advanced Micro Devices surged 2% to 34.4.

## European Tensions Depress French Franc

Compiled by Our Staff From Dispatches

PARIS — The linchpin of Europe's plans for a single currency buckled Monday as the French franc, under strain from currency tensions caused by devaluations in Spain and Portugal, hit an all-time low against the Deutsche mark.

The devaluations of the Spanish peseta and the Portuguese escudo within the European currency

Plans for a single currency have been at the heart of French, economic and European policy for a decade and a serious delay in reaping the rewards of years of austerity in finally joining the franc to the mighty mark would be a huge upset for Paris, analysts added.

A French official played down the devaluations, arguing that they were a necessary safety valve for two economies struggling to lower inflation to the level of their neighbors. France was confident that its strong fundamentals would support the franc, the official said.

The Bank of France remained cool Monday, holding its key interest rate unchanged, although floating money-market rates rose under the pressure of the falling franc.

The franc has lost 2 percent of its value against the mark within the past month as funds have flowed out of the ailing U.S. dollar into the German currency.

(Reuters, Bloomberg, Knight-Ridder)

## WORLD STOCK MARKETS

Agence France Presse March 6

Class Prev.

Close Prev.

Amsterdam

Vela 522,500/520,500

Aston 424,500/425,000

Vito 517,500/518,500

Aero 110,100/111,500

Vito 517,500/518,500

Alcoa Nobel 19,000/19,200

Vito 517,500/518,500

Bols Westra 200 22,000/22,000

Vito 517,500/518,500

DAXX Index 260,320

Vito 517,500/518,500

Previous 2/17/95

Vito 517,500/518,500

Heilink

Ergo-Cutteff R 33,340

Praktika F 33,340

Vito 517,500/518,500

Hilversum 12,700/12,700

Vito 517,500/518,500

Hilversum cvo 12,700/12,700

Vito 517,500/518,500

Hilversum cvo 12,700/12,700

Vito 517,500/518,500

Hilversum 12,700/12,700

Vito 517,500/518,500

# gly S. Lyonnaise Plans Hostile Offer For U.K. Firm

Compiled by Our Staff From Dispatches

LONDON — Lyonnaise Des Eaux SA said Monday it would make an unspecified cash offer for Northumbrian Water PLC of Britain, which replied that the French water, waste and construction company's bid would be unwelcome.

Lyonnaise, which already runs two small water companies in eastern England, said it would not specify an offer price until it had a chance to negotiate with the Northumbrian board and obtained clearance from British and European Union antitrust officials.

Northumbrian, based in the northeastern town of Newcastle-upon-Tyne, said the proposed bid was unsolicited and unwelcome, and it indicated its intention to remain an independent company.

The bid will "create business disruption and expose shareholders, customers and employees to a prolonged period of uncertainty," Northumbrian said.

But Northumbrian stock surged on news of the offer, closing at 873 pence (\$1.42), up

131. That values the company at about £600 million. Investors also pushed up shares of other British water stocks in anticipation of further takeover bids.

Lyonnaise said it expected to announce details of its offer by the middle of this year.

"Lyonnaise hopes that an offer can be made to shareholders of Northumbrian in the summer of 1995 and that such an offer will be completed as quickly as possible thereafter," the company said.

If it succeeds in its bid, Lyonnaise said it wanted to merge Northumbrian with a business it already owns in the region, North East Water PLC. North East Water provides water to customers who do not use Northumbrian, raising potential competitive issues in the bid.

Jacques Petry, president of Lyonnaise's international water division, said it was too early to say what job reductions could come from a merger.

In the year that ended in March 1994, Northumbrian employed 3,202 people.

(Reuters, Bloomberg, AP)

## Potash Corp. Buys Texasgulf

Compiled by Our Staff From Dispatches

PARIS — Elf Aquitaine and Williams Cos. plan to sell their Texasgulf Inc. phosphates unit to Potash Corp. of Saskatchewan Inc. for \$810 million, Elf said Monday.

Elf has a 55 percent stake in Texasgulf, while Williams owns the remaining 15 percent. The sale of the unit to Potash means plans for an initial public offering of Texasgulf shares will not go forward.

Texasgulf is one of the world's largest producers of phosphate rock and products. Elf bought the company in 1981, absorbing some of its energy operations. Williams swapped assets for its stake in 1985.

(Reuters, Bloomberg)

## Clark Bows Out Of Volvo Venture

Compiled by Our Staff From Dispatches

GOTHENBURG, Sweden — Volvo AB said Monday it would buy the 50 percent of VME Group NV that it does not already own from Clark Equipment Co. for \$573 million. The price includes a special \$13 million dividend to Clark.

VME, which is registered in the Netherlands but has its headquarters in Brussels, makes wheel-loaders, excavators, haulers and trucks. It was founded in 1985 when the two companies merged their construction equipment makers. In 1994, VME posted a net profit of \$132.1 million on sales of \$1.57 billion.

In January, Volvo said it would spend more than 3 billion kronor (\$409.8 million) through 1996 to expand its truck and carmaking units.

(Reuters, Bloomberg)

# The Clash of Cultures at Barings

## Tradition Wasn't Ready for Pace of Global Markets

By John Darnton  
New York Times Service

LONDON — During the banking crises of the 1920s and 1930s, the managing director of Barings PLC, Cecil Barings, who was the third Lord Revelstoke, rode out the vicissitudes of international finance by sitting at his large desk, reading classical Greek literature.

Seated at a point to strike the terms for a huge loan, he cabled back urgently to demand not the latest interest rate, but the location of certain nesting birds that he was anxious to catch in his binoculars.

Today's son, the 59-year-old chairman Peter Barings, has little time for such leisure activities.

For the past week he has been rushing from one meeting to another, trying to forestall and then to soften the collapse of the famed institution that made his family's fortune over the last 233 years. On Sunday night, Barings was sold to a Dutch bank that agreed to inject \$1 billion to keep the company afloat.

Between "The Iliad" and the computerized spreadsheet lies the quantum leap into modern times. It was a leap that Barings did not fully navigate, investment analysts in London said.

Its failure, brought about ostensibly by the actions of a 28-year-old trader in Singapore, who lost about \$1 billion in trading on the future of Japanese stock prices, spells for some the end of an old-world era of British banking.

As evidence mounts that the trader was not acting alone, regulators in London and Singapore are studying what Barings' top managers might have known about the risky trades.

In recent years, Barings tried to move ahead from the old-fashioned clubby world in which it advised and handled the assets for a privileged circle of clients, beginning with the Queen.

It entered halfway into the fast-paced and sometimes wildly profitable world of global markets in securities, derivatives and other instruments. But it never completed the transition. The separate divisions — traditional banking and modern securities trading — coexisted but never cooperated and resisted efforts to live peacefully under one roof.

"The story of what happened at Barings is really a result of the division," said an executive who worked there for years. "It was a clash of cultures."

The images of old-world banking include an army of men in trim somber suits, bowler hats and black umbrellas converging daily upon the heavy gothic headquarters of the City, London's financial district. But those images faded more than two decades ago.

The old buildings have been replaced by sleek steel-and-glass skyscrapers, and the men in the bowler hats by legions of young people sometimes denigrated as "barrow boys," nicknamed after London's bygone street vendors who once hawked cheap wares from wheelbarrows.

They are hungry traders who have probably not been to a university, live on risk and want to make a pile of money in a hurry. They often burn out by their mid-30s.

At lunchtime, they can be seen in the City's pubs, in distinctively colored trad-

Between Homer and the computer spreadsheet lies the quantum leap to modern times. It was a leap Barings did not fully navigate.

er jackets, or, in the evenings, in flashy pinstripes. They sometimes play a non-to-subtle game of one-upmanship called "Wedge": at the shout of that word, wallets are slapped on table tops and bars; whoever has the least money buys a round of drinks for the house. This is a far cry from the plush leather armchairs of London's clubs, the aristocratic preserve of the old establishment.

But remnants of the old mentality still survive in the nooks and crannies of the old institutions that are run, like Barings, as family legacies. The firm began as a merchant house founded by John and Francis Barings, descendants of a Dutch wool trader, on Queen Street in Cheapside close to New Year's Day of 1763.

Barings was more than a pillar of the establishment. It was the establishment. It financed British armies during the American Revolution and the Napoleonic wars, provided money for the Louisiana Purchase, went broke a century ago with bad loans to Argentina and then recovered with help from the Bank of England to become a dominant financial power during the High Victorian age.

The French statesman, the Duc de Richelieu, declared in 1818: "There are six great powers in Europe: England, France, Russia, Austria, Prussia and the Barings brothers."

Barings specialized in a blue-chip portfolio, becoming a sort of informal adviser to the Bank of England, and providing investment advice and acting as fund managers for most of the royal family's personal wealth during this century.

A major change for Barings and other

British banks came in 1986, with the so-called Big Bang, when the financial institutions were deregulated. Overnight, rules changed and protective walls fell.

Banks and investment firms rushed in from the United States and other countries, which bred cutthroat competition for huge new profits and a new system for achieving them by sending money around the world at a lightning pace.

"When I first arrived, it was old style," the former executive said. "A serious banking side and a serious investment side. Not huge but good clients. Everything was done through stockbrokers. You didn't have integrated houses, direct exposure, all that new culture."

When the new culture came to Barings, it came from Asia, where Barings had always been strong, following and sometimes financing the British Empire. Japan became the bank's testing ground for the relatively high-risk ventures to come, focusing on emerging markets.

The harbinger was Christopher Heath of the bank's securities subsidiary, who became Britain's highest-paid executive with annual earnings of close to \$3 million. Between 1987 and 1989, Barings Securities was contributing as much as 80 percent to the company's overall profit. Insiders at the bank suggest that the earnings aroused envy in other divisions.

Mr. Heath, who at one point wanted more capital to move into the derivatives area left in March 1993, after a dispute over the direction of the bank.

After his departure, the securities division was to be folded into the overall administration under control of the banking division, Baring Brothers & Co., but the arrangement never worked out. Bank insiders say the reorganization plan was resisted by Baring Securities.

"The cultures were just too different," one official said. "They just couldn't live together and no one was strong enough to bring them together."

Even when auditors warned Barings executives last August that the trader in Singapore, Nicholas W. Leeson, could override the bank's controls, Barings apparently did not take action.

Mr. Leeson was in charge of trading, which involved the execution of client orders, and of settlement, which recorded and monitored the trading, meaning that a normal system of checks and balances was not in place.

By most accounts, Mr. Leeson fit snugly into the new culture. The son of a plasterer raised in a subsidized housing project in Watford, a drab suburb of London, he performed well enough in high school but failed a university qualifying exam in mathematics.

## YEN: Threat to Japan's Exporters

Continued from Page 11

up to September, when the first half of the next Japanese financial year ends.

This means that any effect of the strong yen on corporate earnings would not be felt until then at the earliest, with profits falling more in the second half of the year if the yen continues to rise.

Sony said it had hedged around 30 percent of its foreign-currency contracts for the first three months of the coming financial year at a rate of 99 yen to the dollar. The company has not decided on rates for later in the period. NEC and Toshiba say they are hedged up to September.

But a sustained strong yen is bound to cause some long-term changes in the strategy of Japanese business.

"I strongly fear that this will have a tremendous effect on small and mid-size companies and apply the brakes to our economic recovery," said Katsu Inaba, head of the Japan Chamber of Commerce.

"The movement of production abroad is going to accelerate," said Shusuke Kohiyama, also with Keidanren.

Japanese investment in China is already on the rise, jumping 63 percent in the April-September period, to \$1.14 billion.

The reason for the shift overseas is simple: With the yen so high, the cost of making anything in Japan has become astronomical. A Japanese unskilled part-time worker may make 800 yen to 1,000 yen an hour, an amount that is now equivalent to \$8.60 to \$10.70.

(Bloomberg, AP)

## DOLLAR: Wall Street Indifferent

Continued from Page 11

effect of a falling dollar would be much more profound if countries with strong currencies such as Germany and Switzerland are America's most important trading partners.

Indeed, Canada and Mexico, which last year ranked first and third, respectively, in terms of bilateral trade with the United States, have currencies far weaker than the dollar. Moreover, in order to maintain market share, foreign companies based in strong-currency countries have either squeezed profit margins dramatically or moved operations to the United States.

Then, too, because of shifting trading patterns, Mr. Soss and other analysts said that market fears of the inflationary effects of a weaker dollar have become much less real. The inflationary

## Investor's Europe

Frankfurt	London	Paris
DAX	FTSE 100 Index	CAC 40
230	338	219
220	328	209
210	310	200
200	300	190
190	290	180
180	280	170
170	270	160
160	260	150
150	250	140
140	240	130
130	230	120
120	220	110
110	210	100
100	200	90
90	190	80
80	180	70
70	170	60
60	160	50
50	150	40
40	140	30
30	130	20
20	120	10
10	110	5
5	100	2
2	90	1
1	80	0

Sources: Reuters, AFP

International Herald Tribune

## Very briefly:

• Hillsdown Holdings PLC, the British food company, said it would receive a maximum of 680 million Canadian dollars (\$485 million) for its 56 percent stake in Maple Leaf Foods Inc. to the McDonald McCain family and the Ontario Teachers' Pension Fund.

• Schneider SA, the French power-distribution concern, said it would publish details next month of a plan to rescue its unprofitable construction arm, Spie-Batignolles SA.

• Deutsche Post AG said it posted an operating profit in 1994 above its target of 30 million Deutsche marks (\$20.7 million), but refused to give a precise figure; Post AG, along with sister companies Deutsche Telekom AG and Deutsche Postbank AG, was reorganized as a joint-stock company on January 2, but the government still holds all the shares.

• Deutsche Telekom AG said revenue in 1994 rose 8 percent, to 64 billion DM; Wilhelm Paehlemann, the company's chief executive, predicted 1995 revenue would rise to 69 billion DM.

• Rover Group Holdings PLC, the British auto maker, unveiled its new MG sports car, returning the MG make to the market 15 years after British Leyland, which then owned the name, closed MG's original plant; Rover now is owned by Bayerische Motoren Werke AG, or BMW, of Germany.

• Ford-Werke AG, the German subsidiary of Ford Motor Co., said it would begin producing a new compact model at its Valencia, Spain, plant in the third quarter of 1996.

• Glaxo Holdings PLC, which had set a goal of acquiring 90 percent of Wellcome PLC's shares in a £9.4 billion (\$15 billion) hostile takeover bid that would create the world's largest drug company, said it would settle for a simple majority of Wellcome's shares and voting rights.

• The European Bank for Reconstruction and Development said it would lend a fund to invest in privatized companies in Slovakia, but bank officials said Bratislava must step up the pace of its program to sell off state companies.

• Lucas Industries PLC, the British technology concern, said it had received a £1.25 million contract to make fuel-injection systems for Volkswagen AG.

AFX, Bloomberg, Reuters, AP

## EU Details Currency Rates

AFX News

BRUSSELS — Following are excerpts from the text of the communiqué issued by the European Union's Monetary Committee on Monday, after the devaluations of the Spanish peseta and Portuguese escudo.

"Following a request of the Spanish authorities to adjust the central rate of the peseta, the ministers and central bank governors of the member states of the European Community have decided, by mutual agreement, following a common procedure involving the European Commission and the European Monetary Institute, and after consultation with the Monetary Committee, to fix new central rates in the exchange-rate mechanism of the European Monetary System."

"The bilateral central rates of the Spanish peseta against other currencies of the exchange rate mechanism have been reduced by 7 percent."

"Following the decision to change the central rate of the peseta, the ministers and governors agreed also on a downward adjustment of the central rate of the Portuguese escudo by 3.5 percent."

"The new Ecu central rates are the following (in units of national currencies per Ecu):"



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## Nissan Plans New Job Cuts To Stem Losses

By Andrew Pollack  
New York Times Service

TOKYO — Nissan Motor Co. will accelerate its efforts to reduce its work force and cut costs in the face of huge losses.

The company's plans reflects a sense of crisis at Japan's second-largest automaker, which has lagged rivals in benefiting from the upturn in Japan's car sales that began in the middle of last year.

The Nihon Keizai Shimbun, the financial newspaper, reported on Monday that Nissan was planning to cut 6,000 to 7,000 people from its Japanese work force by March 1998. The work

force now numbers 49,000. The cuts would be made by sharply reducing hiring, transferring people to affiliates and other measures short of layoffs.

The company also plans to ask its parts suppliers to cut prices by 30 percent in the next three years. Overall, Nissan plans to cut costs by 10 percent, the newspaper reported.

Miho Kanno, a spokeswoman for Nissan, would not confirm the numbers in the article. But she said, "We are accelerating our restructuring plan."

In February 1993, Nissan announced a plan calling for a reduction of 5,000 Japanese workers to a level of 48,000, by March 1996. It also shocked Japan by saying it would close a factory in Zama, southwest of Tokyo, the first factory closing by an auto company in Japan.

But those measures have not been nearly enough and the company continues to suffer huge losses. It expects to report a net loss of 65 billion yen (\$653 million) for the parent company in the financial year that ends this month. On a consolidated basis, analysts expect a loss of about 140 billion yen out of about 87 billion yen last year.

"I think they are in pretty bad shape," said Benjamin Moyer, auto analyst in the Tokyo office of Merrill Lynch & Co. "The big point is that they've got to get their costs down. They've got to get enough profit to stabilize the balance sheet before a downturn begins."

Mr. Moyer said Nissan's balance sheet was the weakest among the five big Japanese auto companies. However, he said he saw no threat to the company's survival, because Nissan still owned a lot of stock in other companies and other assets it could sell.

Nissan's sales in Japan fell 7.5 percent last year, to 1.10 million units, while total vehicle sales rose 0.9 percent. In the past few months, however, Nissan has introduced some new cars that have done well, and in February its sales rose more than 14 percent from the corresponding month a year earlier.

Compiled by Our Staff From Dispatches

TOKYO — Japan's Fair Trade Commission filed a criminal complaint Monday against nine electronics companies for allegedly rigging bids for public sewer projects, officials said.

The Tokyo Prosecution Office is expected to start an investigation into the case to confirm whether the companies had violated the Antimonopoly Law by prearranging winners of contracts for local water supply and sewerage systems.

The nine companies include five top electronics makers: Toshiba Corp., Hitachi Ltd., Mitsubishi Electric Corp., Fuji Electric Co. and Matsushita Corp.

The other four are Yaskawa Electric Corp., Nissan Electric Co., Shinko Electric Co. and Takaoka Electric Manufacturing Co. If convicted, the companies face up to 100 million yen (\$1 million) in fines, and executives could be fined or jailed for up to three years.

The commission has accused the companies of setting bid prices among themselves for orders in 1993 from the Japan Sewerage Works Agency, a special body of the Construction Ministry.

(Reuters, AFP)

## Japan Charges Electronics Firms With Bid-Rigging

Compiled by Our Staff From Dispatches

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(Reuters, AFP)

## Following the Footsteps of Barings

### In China, a Bad Futures Bet Shuts Down the Market

By Seth Faison  
New York Times Service

SHANGHAI — China's emerging securities markets are mired in their biggest financial scandal since the Communists reopened stock market in Shanghai in 1990, weakening the markets at a time when the country badly needs them to raise capital.

In a trading disaster that bears some eerie similarities to the collapse of Barings PLC, China's biggest and most prestigious securities firm made a huge gamble in the bond market late last month and lost. It pushed the firm, Shanghai International Securities, to the brink of bankruptcy in a single day.

But traders at Shanghai International apparently took its misadventure one step further and tried to manipulate the market by orchestrating a mass of sell-orders 10 minutes before closing on Feb. 23. That led the authorities to suspend all trading last week in bond futures, the only lively market in China in recent months, while they investigate Shanghai International's actions.

The clampdown has drawn attention to how fragile the Chinese markets are, surviving under a government that is still uncomfortable with letting a market decide who makes money. It has also pointed to how weak supervision is, with several securities firms flagrantly violating trading limits and the Shanghai Stock Exchange unable to do anything about it.

For Western companies, several of which have discussed joint-venture possibilities with Shanghai International, the whole affair is a sharp reminder of the uncertainty of doing business in China.

Like Barings, Shanghai International bet on a large number of futures contracts, expecting prices of bond futures to fall. When they rose sharply instead, the firm, with just \$120 million in registered capital, was hit with losses that outsiders estimated at \$80 million to \$150 million.

To make matters more complicated, Shanghai International — which likes to compare itself not with Barings but with Merrill Lynch & Co. — is accusing another firm of profiting by using inside information to trade on large accounts.

The bond market crisis has followed a familiar pattern in China's financial markets: a new avenue for raising capital is created, initial indifference gives way to active trading and eventually to a frenzy of speculation, and finally the authorities intervene with strong measures to stop excesses as well as any active trading.

"The central government is afraid of crisis," said Yan Yunlong, deputy general manager at Guotai Securities, a competitor of Shanghai International.

They'd rather see a far smaller trading volume than a crisis. We think strict management is needed, but we're concerned that they may be overreacting."

Mr. Yan and others said they expected the bond-futures market to reopen within weeks, but with a tough new set of regulations, including a margin requirement of 10 percent instead of the current range of 1 percent to 2.5 percent. That is likely to limit enthusiasm among the 250 institutions and the few thousand individuals with enough cash to trade bond futures.

Many of those individuals are now upset. One of them is Zhang Yanfa, who

is a manager at Guotai Securities, a competitor of Shanghai International.

That is when Shanghai International made its ill-fated bet that prices would fall. Instead, they rose, sharply and relentlessly. But in the final minutes of trading, they suddenly dropped like a stone, when a blizzard of sell-orders hit the market.

Brokers monitoring the trades electronically could see that they came overwhelmingly from Shanghai International, apparently trying to obliterate its

losses by driving the price down.

The following morning, the stock exchange canceled the final eight minutes of trades, worth about \$37 billion. On Feb. 27, it formally suspended futures trading and on Tuesday instructed anyone with a remaining contract to settle it privately or be forced to accept a price ordered by the exchange.

David Wei, an executive at Shanghai International, conceded that "some traders" may have violated exchange rules by knowingly exceeding the number of futures contracts the firm was allowed to trade. He would not discuss estimated losses or the number of traders involved.

The Shanghai Stock Exchange refused to answer any questions.

Mr. Wei described Shanghai International as a victim and took the highly unusual step of accusing another firm of insider trading. Because of its close ties to a ministry in Beijing, Mr. Wei said, the firm apparently had early information on a plan to raise the premium on bonds.

Zhong Ming, a senior executive at the accused firm, China Economic Trust & Investment Development Corp., responded: "Some company violated trading regulations. Why are they accusing us of breaking the rules?"

An executive at another firm said that China Economic was the biggest winner in the bond-future frenzy, while Shanghai International was the biggest loser.

Noting that every securities firm in China is government-owned, and essentially trading government money, the trader said that one firm was backed by Beijing's Ministry of Finance, while the other was supported by the Shanghai municipal government.

Huan Guocang, chief economist at J. P. Morgan Asia, said that one reason the Shanghai market was highly speculative was that the securities houses did not risk their own money.

"Whatever they make, they keep."

Huan said, "Whatever they lose, the government takes care of."

That is not true for individual investors like Mr. Zhang, who trades for his own account. But will he stop playing the domestic markets? "No," he said, shaking his head. "I have no other choices. I'll just wait until a market in Shanghai gets interesting again."

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## Investor's Asia

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## SPORTS

# For Little Maryland School, A Big First: NCAA Tourney

Jim Phelan is 65 years old and has been the basketball coach at Mount St. Mary's, in Maryland, since he was 25. He's second only to Dean Smith among active coaches, with 737 victories.

But in 10 days, Phelan will take Mount St. Mary's to the NCAA tournament for the first time. The school joined Division I in 1988-89.

"I played in the NIT, and I coached as an assistant in the NCAAs with La Salle," Phelan said. "I've been there before, but I'm thankful to be taking my own team. This was one of the things we really wanted."

"I'm not too old to dance."

Mount St. Mary's earned the trip on Sunday with a 69-62 victory over Rider in the title game of the Northeast Conference tournament. Silas Cheung scored all 19 of his points in the second half as Mount St. Mary's rallied to win.

No. 1 UCLA 91, Louisville 73: Ed O'Bannon scored 25 points and Tyus Edney 20 as visiting UCLA dominated the inside in turning back Louisville for its 11th straight victory.

UCLA held a 40-22 advantage in rebounds and scored numerous baskets on putbacks and dunks. Toby Bailey had 11

rebounds to lead the Bruins' inside game, which scored 25 second-chance points.

UCLA outscored Louisville by 18-2 in the final 2:29.

No. 3 Kansas 78, No. 18 Oklahoma St. 62: Jacquie Vaughn and Billy Thomas led Kansas to its 42d Big Eight Conference title with a second-half charge as the visiting Cowboys' star center, Bryant

## COLLEGE HIGHLIGHTS

Reeves, went scoreless for the first time in his career.

In only the second title-deciding regular season finale the Big Eight has seen in 50 years, Kansas overcame a 45-point performance by Randy Rutherford, who set the Big Eight career record for 3-pointers.

It's the fourth conference title in five years for Kansas.

No. 13 Virginia 92, No. 6 Maryland 67: The host Cavaliers' victory left four teams tied for first place for the first time in the Atlantic Coast Conference's 41 years.

Allen Iverson, another freshman, had 28 points for the No. 24 who had won four in a row.

No. 24 Iowa State 79, Nebraska 77: Julius Michalik's 14-foot baseline shot with four seconds left gave Iowa State its victory at Nebraska.

Wake Forest, North Carolina, Maryland and Virginia all finished the regular season with 12-4 records. Because of tiebreakers, Wake Forest will be the top-seeded team in the ACC

tournament that starts Thursday night, with North Carolina seeded second, followed by Maryland and Virginia.

Virginia won for the ninth time in 10 games as Junior Burrough scored 24 points. Joe Smith led the Terrapins with 25 points, but they had a four-game winning streak snapped.

No. 8 Duquesne 79, Duquesne 53: Massachusetts moved to the Atlantic 10 tournament final in Philadelphia as Lou Rocca scored 20 points and Derek Kellogg 16.

No. 10 Michigan St. 67, Indiana 61: Shawn Respect scored 24 points, four on free throws in the last 30 seconds, as the host Spartans tied with Purdue for first place in the Big Ten.

St. John's 86, No. 23 George Washington 77: Freshman center Zendon Hamilton scored 21 points, 14 in the second half, as St. John's rallied in New York and likely clinched an NIT berth with its fifth victory in seven games.

Allen Iverson, another freshman, had 28 points for the No. 24 who had won four in a row.

No. 24 Iowa State 79, Nebraska 77: Julius Michalik's 14-foot baseline shot with four seconds left gave Iowa State its victory at Nebraska.

Williams 8-7, 11-14, Curry 8-10, 21-21: Scott (Orlando 9), Assistants—Anderson 24 (Blaylock 10, Orlando 9, Anderson 8).

Charlotte 21, 22, 16-20: Sacramento 25, 28, 22-22.

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Philadelphia 25, 26, 27-27.

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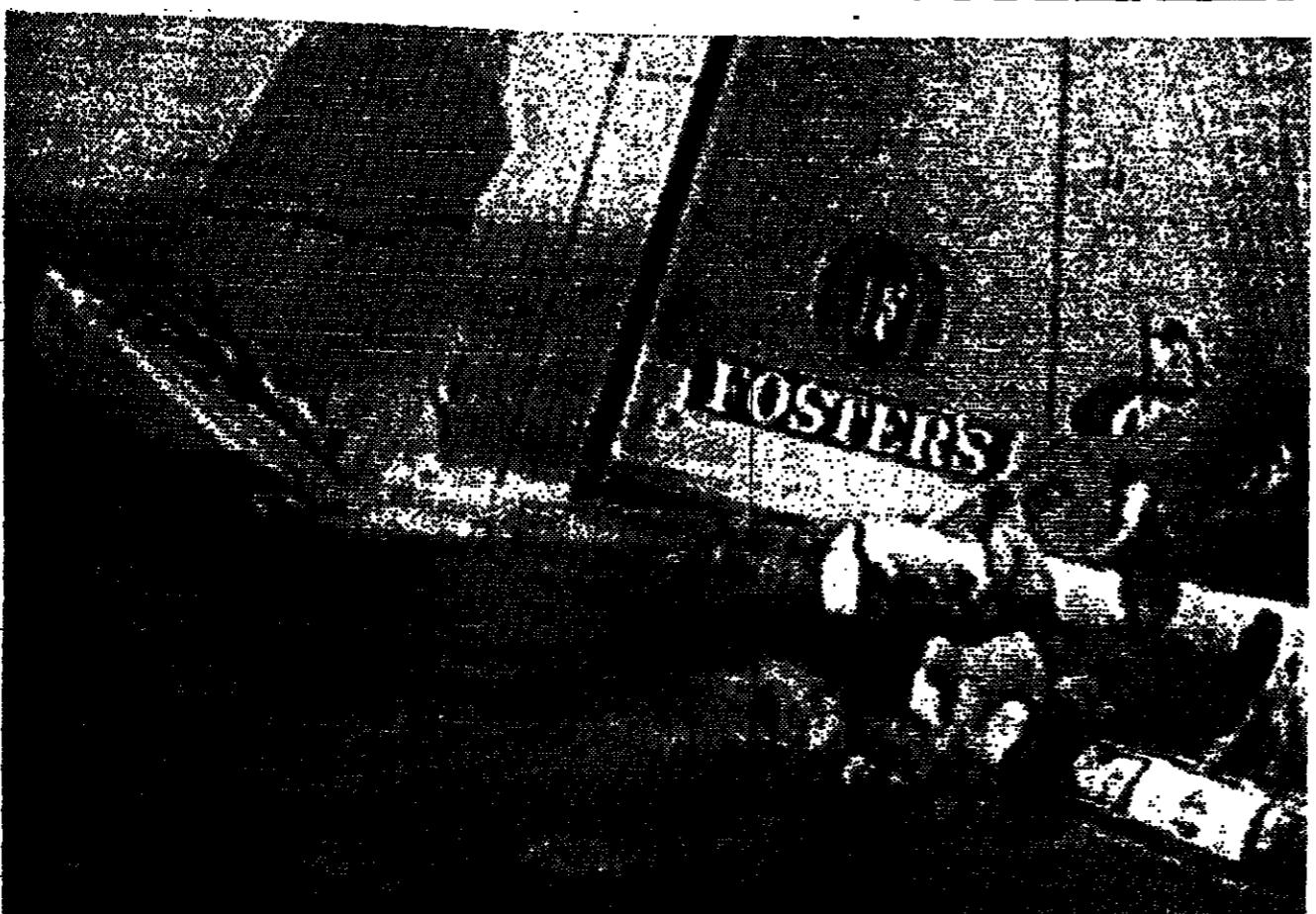
New Orleans 25, 26, 27-27.</

7/21/95

# INTERNATIONAL Herald Tribune SPORTS

TUESDAY, MARCH 7, 1995

PAGE 19



In this photo, taken from television, oneAustralia goes down off San Diego as the first of its crewmen are being rescued.

## After Tense 18th, Faldo Wins Doral

By Larry Dorman  
New York Times Service

MIAMI — All day long they had fought a war of attrition, with Nick Faldo, Greg Norman and Peter Jacobsen trading shots and the lead as they struggled around a Blue Monster course that had been awakened by the wind.

And just as it always seems to do here, things became messy Sunday at the final hole.

All Norman needed was a par, just a 4 on the 18th. If he could do that, he would be in a playoff with Faldo for the Doral-Ryder Open title and \$270,000.

But Norman hit his drive in the rough. The wind was blowing across his face, and his golf ball was sitting down deep in the high grass next to the lake.

Still, there was hope for Norman, even though Faldo had gone to the final hole with a two-stroke lead and was swinging as well as he has all year. But Faldo, the man least likely to miss a fairway while in possession of the lead, hooked his tee shot into the water at 18.

He still managed a remarkable bogey, hitting a 3-wood over the lake and sliding the ball in just 20 feet from the pin. But he had opened the door for both Norman and Jacobsen, who was one stroke behind.

Now, with Faldo sitting in the score's tent at 15-under-par 273 after his final round, 69, and with the largest Doral-Ryder Open crowd in the 34-year-old event ringing the green and lining the fairway, two dramatic shots gave the title to Faldo.

First came Norman's. He aimed his 6-iron shot right of the hole from 180 yards out. As

he tore at the ball, the heavy grass grabbed his clubhead, snatched the face and his shot veered horribly off line.

It splashed into the lake that has claimed so many other wayward shots through the last 33 years and nearly hit the floating scoreboard some 30 yards right of the green.

One down, one to go.

"I was thinking there would be a playoff and all of a sudden I heard that quick groan and Norman's in the water," Faldo said. "Then I hear that Peter has a 50-footer to tie me, and the way his luck was going this year I thought he was going to make it."

Jacobsen had been the crowd favorite all week. Mugging his way around the golf course, joking and bantering with the galleries, he had still managed to play almost as well as he did in winning the AT&T Pebble Beach and the Buick Invitational of California during the West Coast swing.

After pushing his drive to the right, Jacobsen hit a 4-iron shot from the rough that he estimated landed 55 to 60 feet short of the flag.

"The one thing I wanted to do was make sure I got it to the hole, to give it a chance," Jacobsen said later. "I didn't care if I knocked it past the hole."

As it turned out, he almost knocked it in the hole. That ball tracked all the way to the cup, but did not take a small break to the right at the end and slid just past. Jacobsen finished with a 73 and a tie for second with Norman. Faldo exhaled. He had won.

This was why Faldo came to the United States this year to play full-time on the PGA Tour. Coming into this event, he had played spottily. A tie for



Nick Faldo took a penalty stroke after a splashdown at 18.

## CROSSWORD

ACROSS  
1 Witches  
3 "The Metamorphosis" author  
10 Office honcho

14 Skin soother  
15 Violets' neighbors in an orchestra  
16 It's west of Ark.  
17 Love it —

18 "Hungry Like the Wolf" singer  
20 Venetian's  
22 "Twiz 12 and 20

23 Actor Dick of "Bewitched"  
24 Defense acronym  
25 — cum laude

27 Freight weight  
28 Poet laureate  
Cecil Day —

29 Jujitsu ones  
30 Remove vital parts from

31 Stolid  
32 6 on a phone  
33 Bulldogger  
34 Actor Cantor  
35 San Diego nine

36 Paraphilia

37 More cagey  
44 "Kidnapped" monogram

45 Eliminate  
46 See eye to eye  
48 Defect

49 They're far out  
52 Candy from a machine

50 1969 hit by the Archies

51 Mr. Nestless

52 Counterfeiter's

53 Muslim prince

54 Hawkeye

55 Pierce's portmanteau

56 Dian Fossey subjects

57 British tube

58 "A bit of talcum"

59 "Like winter animals"

60 Hammert hound

61 Low-cut shoe

62 Double curve

63 Food critic

64 Kind of coffee

65 Job hunter's need

66 Slippery

67 Calmest snow

68 Wife of Jacob

69 "Toothpaste type"

1 DOWN  
1 Treasures  
2 Der — (Adenauer)  
3 Self-righteous  
4 O'Hearn's — and Soda Water  
5 Minolta rival  
6 Adjoin  
7 Part of F.Y.I.  
8 1977 Oscar actress  
9 Six-time Emmy winner Ed  
10 Victoria, one

11 Green pods  
12 Dress  
13 Mentally sound  
14 Casino employee  
15 Victorian, for one

16 Distinguished  
17 Parrotles  
18 Hibernation  
19 Asleep  
20 Howard Carter's 1922 discovery  
21 Whitman  
22 College site  
23 Paraphilia

24 "I'm a... " —  
25 Lord Grey's Stoker  
26 Maladies  
27 Reset  
28 Rabe  
29 House  
30 Metarzanyoujane  
31 Aver  
32 Ihre  
33 Lunar  
34 Peek  
35 Star  
36 Enter

Solution to Puzzle of March 6

OSAKA SOAK STAV  
TRIAD TATA CAVE  
TARZAN OF THE APES  
OMAR OMER  
OHIO SEAR REEVE  
RAN HYMNS CZAR  
GUSTO NEOPRENE  
LORD GREY'S STOKE  
MALLADIES SWISH  
AGED SCION ESE  
RESET RABE CLAY  
HOUSE EMMA  
METARZANYOUJANE  
AVER IHRE LUNAR  
PEEK STAR ENTER

ELEGANCE  
ELEGANCE  
ELEGANCE

18 Witch's  
19 "Metamorphosis" author  
20 Office honcho

21 Skin soother  
22 Violets' neighbors in an orchestra  
23 It's west of Ark.  
24 Love it —

25 "Hungry Like the Wolf" singer  
26 Venetian's  
27 "Twiz 12 and 20

28 Actor Dick of "Bewitched"  
29 Defense acronym  
30 Remove vital parts from

31 Stolid  
32 6 on a phone  
33 Bulldogger  
34 Actor Cantor  
35 San Diego nine

36 Paraphilia

37 More cagey  
44 "Kidnapped" monogram

45 Eliminate  
46 See eye to eye  
48 Defect

49 They're far out  
52 Candy from a machine

50 1969 hit by the Archies

51 Mr. Nestless

52 Counterfeiter's

53 Muslim prince

54 Hawkeye

55 Pierce's portmanteau

56 Dian Fossey subjects

57 British tube

58 "A bit of talcum"

59 "Like winter animals"

60 Hammert hound

61 Low-cut shoe

62 Double curve

63 Food critic

64 Kind of coffee

65 Job hunter's need

66 Slippery

67 Calmest snow

68 Wife of Jacob

69 "Toothpaste type"

70 "Like winter animals"

71 "A bit of talcum"

72 Witch's  
73 "Metamorphosis" author  
74 Office honcho

75 Stolid  
76 6 on a phone  
77 Bulldogger  
78 Actor Cantor  
79 San Diego nine

80 Paraphilia

81 More cagey  
82 Candy from a machine

83 1969 hit by the Archies

85 Mr. Nestless

86 Counterfeiter's

87 Muslim prince

88 Hawkeye

89 Pierce's portmanteau

90 British tube

91 "A bit of talcum"

92 "Like winter animals"

93 Witch's  
94 "Metamorphosis" author  
95 Office honcho

96 Stolid  
97 6 on a phone  
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99 Actor Cantor  
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101 Paraphilia

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148 British tube

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160 Candy from a machine

161 1969 hit by the Archies

162 Mr. Nestless

163 Counterfeiter's

165 Muslim prince

ART BUCHWALD

## Focusing on Petty Cash

**WASHINGTON** — The collapse of Barings Bank, one of England's oldest financial institutions, has sent shock waves all over the world. It appears that a 28-year-old trader named Leeson managed to invest the bank's money in so-called derivatives and lost \$1 billion, causing the bank to crumble.

In order to find out if any other British banks were threatened, I visited the New York branch of God Save the Thrift Merchants of Dover, the second oldest investment house in the Commonwealth.

When I walked into the lobby on Fifth Avenue everyone was immaculately dressed except they wore no trousers. Michael Ford, the managing director, whom I had known during our days at Eton, explained the lack of pants. "It's our way of showing sympathy for Barings."

What happened to them could have happened to any bank.

Their trader Leeson bet on the wrong horse. But the chip was only 28 years old and just needed more seasoning."

I said, "Mike, this is the question that a lot us are asking."

## Michelin Bestows a 3d Star

Reuters

**PARIS** — Marc Veyrat, the chef of l'Auberge de l'Eridan on Lake Annecy in the French Alps, was promoted to the three-star rating in the 1995 edition of the Michelin guide, published Monday. But the total of three-star restaurants remains at 20: Pic, in Valence, south of Lyon, lost its third star.



How can anyone lose \$1 billion without someone knowing about it?

"As I understand it, the bank was watching Leeson's lunch expense account closely, and it overlooked what he was doing with its funds. This happens all the time. We always focus on the petty cash but we ignore anything that has more than three zeros attached to it. Our people in London reported that Leeson was betting the Tokyo stock market would go up instead of down. It was a very reasonable wager, and one that any investor could have taken pride in had the stock market behaved the way Leeson thought it would."

"Why didn't Barings stop him from putting all the bank's chips on one number?"

"Because when a trader is hired one must let him make mistakes. Otherwise you risk creating a morale problem in the company."

"Do your people have carte blanche to play the derivatives market?"

"No we prefer to invest all the bank's money in the wealthier. It's much safer and if the temperature goes up we can make a killing. The reason that our investors trust us is that we always know when it's going to snow."

"How long do you plan to walk around with no pants on?" I asked Michael.

"At least until the crash quiets down. We had to show Wall Street that we didn't take the Barings incident lightly."

A runner came up to Ford and said, "Castor wants to know if he can buy \$200 million in Mexican lottery tickets."

Michael responded, "No. I prefer to put the \$200 million on a long shot in the Irish Derby."

## WEATHER

Europe									
Today					Tomorrow				
High	Low	W	Wind	W	High	Low	Wind	Wind	W
CPT	CPT	CPT	CPT	CPT	CPT	CPT	CPT	CPT	CPT
Algiers	100°	115°	s	150°	110°	115°	120°	s	125°
Amsterdam	74°	67°	s	84°	65°	74°	67°	s	74°
Ankara	84°	72°	s	135°	75°	84°	72°	s	84°
Athens	74°	65°	s	84°	65°	74°	65°	s	74°
Buenos Aires	12.63	9.53	s	15.59	9.46	12.63	9.53	s	12.63
Bratislava	9.45	7.25	s	10.48	7.25	9.45	7.25	s	9.45
Brussels	8.45	6.25	s	7.44	5.25	8.45	6.25	s	8.45
Budapest	7.45	5.25	s	8.44	5.24	7.45	5.25	s	7.45
Copenhagen	14.97	12.63	s	18.44	12.63	14.97	12.63	s	14.97
Cosco Del Sol	12.55	10.25	s	14.94	10.25	12.55	10.25	s	12.55
Dublin	4.25	1.81	s	6.43	1.81	4.25	1.81	s	4.25
Dubrovnik	12.55	10.25	s	14.94	10.25	12.55	10.25	s	12.55
Edinburgh	9.45	7.25	s	10.48	7.25	9.45	7.25	s	9.45
Florence	9.45	7.25	s	10.48	7.25	9.45	7.25	s	9.45
Glasgow	7.45	5.25	s	8.44	5.24	7.45	5.25	s	7.45
Geneva	7.45	5.25	s	8.44	5.24	7.45	5.25	s	7.45
Heidelberg	1.25	3.25	s	2.25	3.25	1.25	3.25	s	1.25
London	12.55	10.25	s	14.94	10.25	12.55	10.25	s	12.55
Madrid	8.45	6.25	s	7.44	5.25	8.45	6.25	s	8.45
Milan	7.45	5.25	s	12.63	5.25	7.45	5.25	s	7.45
Moscow	8.45	6.25	s	8.43	6.25	8.45	6.25	s	8.45
Nice	9.45	7.25	s	14.97	7.25	9.45	7.25	s	9.45
Oslo	2.25	1.25	s	8.43	4.25	2.25	1.25	s	2.25
Paris	9.45	7.25	s	8.46	5.24	9.45	7.25	s	9.45
Prague	4.25	3.25	s	6.43	3.25	4.25	3.25	s	4.25
Rome	13.05	4.25	s	14.57	4.25	13.05	4.25	s	13.05
St. Petersburg	5.45	3.25	s	6.43	3.25	5.45	3.25	s	5.45
Stockholm	12.55	10.25	s	14.94	10.25	12.55	10.25	s	12.55
Tallinn	1.25	3.25	s	3.25	3.25	1.25	3.25	s	1.25
Venice	8.45	6.25	s	7.44	5.25	8.45	6.25	s	8.45
Vienna	8.45	6.25	s	8.43	6.25	8.45	6.25	s	8.45
Zurich	4.25	3.25	s	6.43	3.25	4.25	3.25	s	4.25
<b>Oceania</b>									
Auckland	24.75	17.25	pc	24.75	17.25	24.75	17.25	pc	24.75
Sydney	24.62	17.70	1	24.62	17.68	24.62	17.68	1	24.62

Forecast for Wednesday through Friday, as provided by Accu-Weather.



North America  
Midweek rain along the East Coast will be followed by cold, dry weather. By late Thursday into Friday, Paris will also turn windy and moderately cold. The Rockies will be mostly dry in the west. Showers are possible in northern Spain, but the rest of the Iberian Peninsula will be dry.

Europe  
London will have a few showers on Wednesday, then turn mostly dry. By late Thursday into Friday, Paris will also turn windy and moderately cold. The Rockies will be mostly dry in the west. Showers are possible in northern Spain, but the rest of the Iberian Peninsula will be dry.

Asia  
Most of Japan will have dry, tranquil weather on Wednesday, with a few light showers from the southwest later in the week, bringing wind and rain. The storm may briefly turn. Showers are possible in northern Spain, but the rest of the Iberian Peninsula will be dry.

Asia									
Today					Tomorrow				
High	Low	W	Wind	W	High	Low	Wind	Wind	W
CPT	CPT	CPT	CPT	CPT	CPT	CPT	CPT	CPT	CPT
Bangkok	34.65	26.79	pc	34.63	27.80	34.65	26.79	pc	34.65
Beijing	18.67	12.09	s	11.82	5.25	18.67	12.09	s	18.67
Hong Kong	30.85	22.73	pc	29.84	23.73	30.85	22.73	pc	30.85
Manila	23.73	11.62	pc	24.75	11.62	23.73	11.62	pc	23.73
New Delhi	26.77	10.52	pc	21.70	10.52	26.77	10.52	pc	26.77
Shanghai	17.62	7.44	s	16.67	7.44	17.62	7.44	s	17.62
Singapore	30.85	24.75	1	31.38	24.75	30.85	24.75	1	30.85
Tokyo	19.55	8.63	pc	18.81	7.44	19.55	8.63	pc	19.55

Latin America									
Today					Tomorrow				
High	Low	W	Wind	W	High	Low	Wind	Wind	W
CPT	CPT	CPT	CPT	CPT	CPT	CPT	CPT	CPT	CPT
Buenos Aires	28.94	18.61	pc	28.85	18.64	28.94	18.61	pc	28.94
Caracas	26.77	12.95	pc	27.25	12.95	26.77	12.95	pc	26.77
Costa Rica	26.77	10.52	pc	21.70	10.52	26.			